



**City of Saint Paul, Minnesota  
Consolidated Plan and Submission  
2016 Action Plan**

**This Document includes information required by the  
U.S. Department of Housing and Urban Development  
for Fiscal Year 2016:**

**Community Development Block Grant Program**

**Home Investment Partnership Program**

**Emergency Solutions Grant Program**



## **Executive Summary**

### **AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)**

#### **1. Introduction**

The City of Paul is considered an entitlement community by the United States Department of Housing and Urban Development (HUD). Eligibility for participation as an entitlement community is based on population data provided by the U.S. Census Bureau and metropolitan area delineations published by the Office of Management and Budget. HUD determines the amount of each entitlement grantee's annual funding allocation formula which uses several objective measures of community needs, including the extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas. The City anticipates receiving \$6,347,173 of Community Development Block Grant (CDBG) funding, \$1,474,817 of HOME Investment Partnership Program (HOME) funding, and \$574,696 of Emergency Solutions Grant (ESG) funding from HUD in 2016. In addition, the City estimates using about \$502,827 in CDBG program income. This document is the one year Action Plan for the City of Saint Paul, Minnesota, for program year 2016 to be submitted to HUD. The Action Plan includes the City's application for 2016 CDBG funding, which the City uses to invest in housing, public improvements, economic development, public services, and job creation activities. Saint Paul also receives HOME funds to assist in the provision of long-term, safe and affordable housing, as well as ESG funding, which provides housing opportunities for homeless persons. This document will be submitted to HUD by April 15, 2016, which is forty-five days before the City's June 1, 2016 program year begins.

#### **2. Summarize the objectives and outcomes identified in the Plan**

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

Through the needs and market assessment undertaken through the consolidated planning process, the City of Saint Paul has identified twenty-one priority needs in the Strategic Plan. These priorities include:

1. Preservation of existing affordable rental housing;
2. Development of new affordable rental housing;
3. Housing rehabilitation assistance;
4. Non-housing community development (job training and small business development, youth services, financial planning assistance, renter education, credit repair assistance, and criminal record expungement);

5. Fair housing and housing anti-discrimination efforts;
6. Supportive services to help keep households housed;
7. Tenant and landlord education;
8. Increased homeownership opportunities;
9. Homeless prevention strategies;
10. Individual homeless persons' need assessment;
11. Emergency shelters and transitional housing;
12. Transitions to permanent housing;
13. Public facilities;
14. Public infrastructure;
15. Public service needs;
16. Economic development needs;
17. Planning needs;
18. Lead-based paint abatement plan implementation;
19. Acquisition, demolition, and clearance of property;
20. Property maintenance code enforcement; and
21. Community outreach to underserved populations.

### **3. Evaluation of past performance**

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The housing needs of low income, special needs, and elderly homeowners, as well as the needs of small, large, elderly, and special needs renter households are listed as high priorities in the 2015-2019 Saint Paul Consolidated Plan. The strategies identified in the housing section of the City's Comprehensive Plan were to preserve and construct affordable housing through partnerships, and retrofit for energy efficiency.

Historically, the City has expended the majority of its funding from the Department of Housing & Urban Development (HUD) on housing activities (primarily for rehabilitation), and it continued to do so in the last program year. During the 2014 program year, all of the City's HOME Investment Partnership Program (HOME) funding, and approximately 70% of the Community Development Block Grant (CDBG) project funding was used for housing related activities. A total of 324 housing units were constructed or completed rehabilitation this year. 93% of this housing work consisted of rehabilitation of existing housing units and 7% was the construction of new affordable units. This total fell short of the proposed 2014 total housing unit goal identified in the 2010-14 Consolidated Plan, primarily due to a shortfall to the City's projected CDBG and HOME funding amounts in 2014.

The City and its subgrantees provided housing assistance to 61 (17 owner, 44 renter) extremely low income (30% of median) households, 93 (44 owner, 49 renter) very low income (50% of median) households and 166 (76 owner, 90 renter) low income (80% of median) households. A total of 50 Asian

households, 177 Black households, 79 White households, and 14 other race households were assisted with housing activities during the program year. 19 of the households were of Hispanic ethnicity.

Housing programs administered by the City were available citywide, to income eligible households. The City provided funding to subgrantees, whose programs were available to income eligible residents residing in the subgrantee service area. These areas included Districts 2 through 9, and 11.

#### **4. Summary of Citizen Participation Process and consultation process**

Summary from citizen participation section of plan.

The City of Saint Paul consulted with a diverse array of public, non-profit and private sector groups throughout the 2106 Consolidated Annual Action Plan process. The following groups were invited to participate in the process:

- City of Saint Paul Departments
- City of Saint Paul Capital Improvement Budget Committee
- City of Saint Paul District Councils (17 independent non-profit organizations)
- City of Saint Paul's Public Housing Agency
- Ramsey County Community and Economic Development
- Ramsey County Continuum of Care
- Ramsey County Department of Public Health

These groups represent a range of interests including:

- St. Paul residents
- affordable housing providers
- local government offices
- fair housing service providers
- homeless shelters and providers
- providers for elimination of lead-based paint hazards
- health and human service providers, including those focusing on elderly, veterans, homelessness, persons with disabilities and mental illness

The draft plan was posted on the City's website and plans were made available for review at each of the public libraries located throughout the City. Notification of the availability of the draft plan was sent out through the City's Early Notification System (ENS) and was published in the local daily newspaper. The notice included information for persons needing special accommodations and assistance for non-English speaking residents. The City has scheduled a public hearing to be held on March 28, 2016 2:00-3:30 PM at City Hall Annex, Room 1303, 25 W 4th Street, Saint Paul, MN 55102.

#### **5. Summary of public comments**

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

The public comment period runs from March 14, 2016 through April 13, 2016. Comments will be incorporated into the final version of the 2016 Annual Action Plan.

**6. Summary of comments or views not accepted and the reasons for not accepting them**

The public comment period runs from March 14, 2016 through April 13, 2016. Comments will be incorporated into the final version of the 2016 Annual Action Plan.

**7. Summary**

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## PR-05 Lead & Responsible Agencies – 91.200(b)

### 1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	ST. PAUL	Planning and Economic Development
HOME Administrator	ST. PAUL	Planning and Economic Development
ESG Administrator	ST. PAUL	Planning and Economic Development

Table 1 – Responsible Agencies

### Narrative (optional)

PED was established in 1977, and is responsible for the planning, housing and economic activities throughout the City. Our mission is to actively create opportunities and encourage investment for the benefit of Saint Paul residents and businesses, which preserve, grow and sustain downtown and the city's diverse neighborhoods.

We have 70 full-time employees that work on our four department teams – Administration & Finance, Economic Development, Housing and Planning (which includes the Heritage Preservation and Zoning).

PED has a budget of about \$9.4 million and the HRA budget is about \$44 million.

We finance affordable, and some market rate, housing development, implement economic development strategies including promoting commercial corridors, business retention and recruitment, small business lending, home rehabilitation lending and mortgage foreclosure prevention programs, emergency shelter grant programs, tax increment and bond financing programs, Neighborhood and Cultural Sales Tax loan and grant programs, and the management of a \$100 million Parking and Transit program.

### Consolidated Plan Public Contact Information

Question and/or comments on the Consolidated Plan may be directed to the following PED staff:

- Joe Collins: 651-266-6020
- Ron Ross: 651-266-6692
- Beth Ulrich: 651-266-6689

Written comments should be sent to the following address:

- Beth Ulrich
- [beth.ulrich@ci.stpaul.mn.us](mailto:beth.ulrich@ci.stpaul.mn.us)
- Department of Planning and Economic Development
- 1400 City Hall Annex, 25 West Fourth Street
- Saint Paul, MN 55102

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## **AP-10 Consultation – 91.100, 91.200(b), 91.215(l)**

### **1. Introduction**

**Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))**

The City of Saint Paul has strong relationships with numerous organizations, local government agencies, and City departments. We consult with these organization on an on-going basis. Specifically, throughout the year, the City's Housing staff consulted with Saint Paul Public Housing Agency, community housing development corporations, and assisted housing providers to develop affordable housing developments citywide. The City's ESG staff worked with mental health and community service providers to assist homeless residents challenged with mental illness.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.**

The City's Emergency Solutions Grant ("ESG") Program staff continually consults with the Ramsey County Continuum of Care (COC) Coordinator in addition to attending monthly committee meetings for Ramsey County COC Governing Board and the Ramsey County Family Homeless Prevention Assistance Program (FHPAP). The City ESG staff and Ramsey County COC Coordinator review all ESG, COC, and FHPAP funding allocations and service delivery programs. City staff will continue to work with the Ramsey County COC Governing Board and the Ramsey County FHPAP committee to discuss service priorities as established for Ramsey County COC, FHPAP, and the City's Consolidated Plan with its focus on ESG. The highest service priority is established to assist homeless families (with school age children), second highest priority is to assist homeless unaccompanied youth, and the third highest priority is to assist residents with mental illness.

**Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

The City's Emergency Solutions Grant Program staff talks weekly with the Ramsey County Continuum of Care (COC) Coordinator in addition to attending monthly committee meetings for Ramsey County COC and Ramsey County Family Homeless Prevention Assistance Programs. ESG funding allocations were developed to 1) promote a comprehensive delivery of homelessness services; 2) support programs for underserved communities; 3) complement services provided by Ramsey County COC and Ramsey County FHPAP, 4) reduce the number of emergency shelter residents at the Dorothy Day Center, and 5) meeting city housing objectives. The ESG funding allocations were also developed in consultation with the Ramsey County COC and FHPAP programs as well as ESG funding allocations were reviewed by the Ramsey County COC coordinator.

ESG staff and Ramsey County COC staff are currently working together to develop performance evaluation standards and outcomes for ESG, COC and FHPAP service delivery programs. At the same time, ESG staff, Ramsey County COC and Wilder Research Center (HMIS administrator) are considering funding allocations to develop a more responsive HMIS system.

**2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities**

**Table 2 – Agencies, groups, organizations who participated**

1	<b>Agency/Group/Organization</b>	Ramsey County Human Services
	<b>Agency/Group/Organization Type</b>	Other government - County
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The City's Emergency Solutions Grant (ESG) staff consults with the Ramsey County Continuum of Care (COC) Coordinator as well as ESG staff attends monthly Ramsey County COC and FHPAP meetings to implement comprehensive services that assist homeless and at-risk of being homeless residents. ESG staff reviews Ramsey County COC and FHPAP service proposals for funding recommendations. City and County staff are partnering to develop ESG, FHPAP, COC program evaluations and HMIS software improvements.
2	<b>Agency/Group/Organization</b>	MINNESOTA HOME OWNERSHIP CENTER
	<b>Agency/Group/Organization Type</b>	Services - Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Home Ownership Programs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	On quarterly basis HRA staff participates with the Home Ownership Board to consider home ownership programs such as home buying counseling, mortgage foreclosure prevention counseling and home buying initiative for underserved communities. The anticipated outcome is the development of home buying classes, mortgage foreclosure counseling, and development of new strategies for homeownership by communities of color.
3	<b>Agency/Group/Organization</b>	Metropolitan Fair Housing Implementation Council
	<b>Agency/Group/Organization Type</b>	Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Furthering Fair Housing Initiatives

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	PED staff participates on the Fair Housing Implementation Council to develop initiatives that further fair housing in the metro area. The anticipated outcome is there will be an amended Analysis of Impediments and possible funding for fair housing initiatives.
4	<b>Agency/Group/Organization</b>	RAMSEY COUNTY
	<b>Agency/Group/Organization Type</b>	Other government - County
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The City consults with Ramsey County Community and Economic Development staff in the areas of employment and training initiatives, regional fair housing initiatives, affordable housing development, and public service programs addressing public health services. In 1997, the City of Saint Paul's and Ramsey County's public health function was merged through a joint powers agreement. The City will seek comments from the county on the consolidated draft action plan.
5	<b>Agency/Group/Organization</b>	DISTRICT COUNCILS
	<b>Agency/Group/Organization Type</b>	Planning organization Neighborhood Organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Market Analysis Economic Development

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Seventeen separate 501(c)3 organizations make up the collective district councils. The City contracts with these organizations to provide planning and advising on the physical, economic, and social development of their areas; identifying needs; and initiating community programs. Each district council selects 6 residents to participate in the CIB Process of recommending funding for projects. The district councils are also requested to provide additional input as an organization on the project proposals during the selection process.
6	<b>Agency/Group/Organization</b>	Saint Paul Public Housing Agency
	<b>Agency/Group/Organization Type</b>	PHA
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Throughout the fiscal year, the City and PHA representatives participate on the Ramsey County Family Homelessness Prevention Assistance Program Committee and other housing initiatives. The City and Saint Paul PHA have a working partnership for which the City recognizes the challenges faced by the Saint Paul PHA administration and PHA residents. Saint Paul PHA Board also awards Project-Based Section 8 Housing Choice Vouchers to eligible affordable housing projects financed by the City.
7	<b>Agency/Group/Organization</b>	Independent School District #625
	<b>Agency/Group/Organization Type</b>	Services-Children Services-Education
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth

<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>City ESG staff and the Saint Paul Public Schools Title 1 Coordinator are Ramsey County COC Governing Board members as well as City ESG staff consult with Saint Paul Public Schools Title 1 Program staff to discuss the needs of homeless students of the Saint Paul Public Schools, including the needs of students aging out of the foster care system.</p>
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**Identify any Agency Types not consulted and provide rationale for not consulting**

No specific agency types were intentionally left out of the consolidated plan process.

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Ramsey County Human Services	The City's ESG and Ramsey County COC strategic priorities are similar to the goals of each plan.
Thrive MSP 2040	Metropolitan Council	The City's strategic priorities for anti-poverty measures, fair housing, equal economic opportunity, business development, economic development and job creation are in line with the strategies identified in the Metropolitan Council's Thrive MSP 2040 plan document.
Saint Paul Comprehensive Plan and addenda	City of Saint Paul	The City's Comprehensive Plan is in line with the City's strategic priorities for HUD-funded activities.

**Table 3 – Other local / regional / federal planning efforts**

**Narrative (optional)**

## AP-12 Participation – 91.105, 91.200(c)

### 1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The most significant citizen participation occurs during the Capital Improvement Budget process. The CIB committee and its task forces are comprised of Saint Paul residents. These residents are charged with hearing project proposal presentations, scoring projects and offering comments. The proposals are sent to the 17 district council organizations, representing every neighborhood in Saint Paul, for review and prioritization. These recommendations are presented to the Mayor and Council and are the basis for the selection of projects funded with CDBG funds.

#### Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	Non-targeted/broad community	18 members of the Capital Improvement Budget Committee	Recommendations were made on the distribution of the CDBG funds for program years 2016 & 2017.		<a href="https://www.stpaul.gov/departments/mayors-office/committees-boards-and-commissions/capital-improvement-budget-cib-committee">https://www.stpaul.gov/departments/mayors-office/committees-boards-and-commissions/capital-improvement-budget-cib-committee</a>

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Public Meeting	Homeless	Ramsey COC Governing Board and the Ramsey County FHPAP Committee comprised of community service agencies and some former homeless residents	Provide input and direction on strategies, program funding, and program development for services provided to homeless residents		
3	Public Hearing	Non-targeted/broad community	Public Hearing will be held March 28, 2016 2:00 - 3:30 PM at 25 W 4th Street, Room 1303, Saint Paul, MN 55102	Will be included in final draft		



Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Internet Outreach	Non-targeted/broad community	The plan was posted on the City's website. A notice was sent out through the City's Emergency Notification System requesting comments.	Will be included with final draft		

**Table 4 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources – 91.220(c) (1, 2)

#### Introduction

#### Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	6,347,173	502,827	0	6,850,000	19,500,000	Expected amount available for the remainder of consolidated plan reflects a 5% cut for 2017 and assumes steady funding for the remaining 2 years.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	1,474,817	0	0	1,474,817	4,350,000	Expected amount available for remainder of consolidated plan assumes a small decrease for 2017 and assumes steady funding for the remaining 2 years.
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	574,696	0	0	574,696	1,722,000	Expected amount available for remainder of consolidated plan assumes a small decrease for 2017 and steady funding for the remaining 2 years.

Table 5 - Expected Resources – Priority Table

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

HUD requires that all participating jurisdictions match no less than 25 cents for each dollar of HOME funds spent on affordable housing. The City of Saint Paul receives a match reduction of 50%. The City ended the 2014 program year with enough excess match to meet the HOME match requirements for the next 5 years. The City anticipates it will continue to leverage other private and public funds in the development of HOME funded affordable housing and accumulate additional match.

ESG has a dollar for dollar match requirement. Historically the City's ESG subgrantees have exceeded the match requirement. The City requires its subgrantees to meet the annual match requirements as part of the contract.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

**Discussion**

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homeless Prevention	2015	2019	Homeless	Citywide	Homeless prevention strategies Assessing individual homeless persons' needs Emergency shelters and transitional housing	ESG: \$574,696	Homelessness Prevention: 300 Persons Assisted
2	Development of New Housing	2015	2019	Affordable Housing	Citywide	Affordable Rental Housing Increase homeownership opportunities	CDBG: \$400,000 HOME: \$700,000	Rental units constructed: 15 Household Housing Unit Homeowner Housing Added: Household Housing Unit
3	Housing Rehabilitation	2015	2019	Affordable Housing	Citywide	Preservation of Affordable Rental Housing Housing rehabilitation assistance Lead based paint	CDBG: \$2,769,000 HOME: \$774,817	Rental units rehabilitated: 30 Household Housing Unit Homeowner Housing Rehabilitated: 1 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Public Services	2015	2019	Non-Housing Community Development	Citywide	Non-housing community development Fair Housing and housing discrimination. Public service needs Community outreach	CDBG: \$252,000	Public service activities other than Low/Moderate Income Housing Benefit: 2000 Persons Assisted
5	Community Engagement	2015	2019	Non-Housing Community Development Crime prevention	Citywide	Non-housing community development Public service needs Community outreach	CDBG: \$345,000	Public service activities other than Low/Moderate Income Housing Benefit: 121000 Persons Assisted
6	Youth Employment	2015	2019	Non-Housing Community Development Employment	Citywide	Non-housing community development Public service needs	CDBG: \$371,000	Public service activities other than Low/Moderate Income Housing Benefit: 400 Persons Assisted
7	Economic Development	2015	2019	Non-Housing Community Development	Citywide	Non-housing community development Economic development needs	CDBG: \$525,000	Facade treatment/business building rehabilitation: 2 Business Jobs created/retained Businesses assisted: 2 Businesses Assisted
8	Remediation of Substandard Properties	2015	2019	Non-Housing Community Development	Citywide	Acquisition, demolition, clearance of property	CDBG: \$650,000	Buildings Demolished: 16 Buildings

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
9	Public Improvements	2015	2019	Public facilities		Non-housing community development Public facilities	CDBG: \$250,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 25000 Persons Assisted

Table 6 – Goals Summary

### Goal Descriptions

1	Goal Name	Homeless Prevention
	Goal Description	
2	Goal Name	Development of New Housing
	Goal Description	
3	Goal Name	Housing Rehabilitation
	Goal Description	
4	Goal Name	Public Services
	Goal Description	
5	Goal Name	Community Engagement
	Goal Description	
6	Goal Name	Youth Employment
	Goal Description	
7	Goal Name	Economic Development
	Goal Description	
8	Goal Name	Remediation of Substandard Properties
	Goal Description	
9	Goal Name	Public Improvements
	Goal Description	

Table 7 – Goal Descriptions

**Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b):**

The City of St. Paul preliminarily estimates providing Consolidated Plan housing resources to meet the unit goals for the following income groups during program year 2016:

New Construction for Renters: Very Low-income 3; Low-income 6; Moderate-income 6

Rehabilitation for Renters: Very Low-income 8; Low-income 15; Moderate-income 15

New Construction/Opportunities for Ownership: Moderate-income 2

Rehabilitation for Ownership: Very Low-income 20; Low-income 40; Moderate-income 40

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## AP-35 Projects – 91.220(d)

### Introduction

The project summary information provides a description and funding amount for each of the projects the City plans to undertake in HUD Fiscal Year 2016 with CDBG, HOME, and ESG funding. The Capital Improvement Budget Committee recommended the FY2016 capital projects through the 2016-2017 capital improvement budget process.

#	Project Name
1	Acquisition Activities
2	Disposition Activities
3	Clearance Activities
4	Public Services
5	Housing Construction
6	Single Unit Rehabilitation
7	Multi-Unit Rehabilitation
8	Commercial Corridor and Citywide Economic Development
9	HOME Program
10	Emergency Solutions Grant
11	Planning and Administration

Table 8 – Project Information

### Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Capital project priorities were recommended by the Capital Improvement Budget Committee. Recommendations were based upon consolidated plan priority needs and goals, strength of proposals, staff rankings, public input and available resources. The primary obstacle to addressing underserved needs continues to be the reduction in funding available and the increasing demand for services and funding needs.

## Projects

### AP-38 Projects Summary

#### Project Summary Information

Table 9 – Project Summary

1	<b>Project Name</b>	Acquisition Activities
	<b>Target Area</b>	
	<b>Goals Supported</b>	Remediation of Substandard Properties
	<b>Needs Addressed</b>	Acquisition, demolition, clearance of property
	<b>Funding</b>	CDBG: \$125,000
	<b>Description</b>	Project for CDBG acquisition activities.
	<b>Target Date</b>	12/31/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Properties acquired are intended for redevelopment of affordable housing or businesses that serve low/mod persons.
	<b>Location Description</b>	Eligible area is City-wide. Specific addressed will be selected during the program year.
	<b>Planned Activities</b>	Acquisition, demolition and remediation costs
2	<b>Project Name</b>	Disposition Activities
	<b>Target Area</b>	
	<b>Goals Supported</b>	Remediation of Substandard Properties
	<b>Needs Addressed</b>	Acquisition, demolition, clearance of property
	<b>Funding</b>	CDBG: \$250,000
	<b>Description</b>	Project for CDBG disposition activities.
	<b>Target Date</b>	12/31/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Activity is for management of property acquired for affordable housing activities or businesses who serve low/mod populations. Accomplishments will be reported under another activity.
	<b>Location Description</b>	

	<b>Planned Activities</b>	Activity is for management of property acquired for affordable housing activities or businesses who serve low/mod populations.
<b>3</b>	<b>Project Name</b>	Clearance Activities
	<b>Target Area</b>	
	<b>Goals Supported</b>	Remediation of Substandard Properties
	<b>Needs Addressed</b>	Acquisition, demolition, clearance of property Code enforcement
	<b>Funding</b>	CDBG: \$400,000
	<b>Description</b>	Project for CDBG demolition activities.
	<b>Target Date</b>	12/31/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Slum/blight activities
	<b>Location Description</b>	
	<b>Planned Activities</b>	Slum/blight Activities
<b>4</b>	<b>Project Name</b>	Public Services
	<b>Target Area</b>	
	<b>Goals Supported</b>	Public Services
	<b>Needs Addressed</b>	Non-housing community development Fair Housing and housing discrimination. Emergency shelters and transitional housing Public service needs Community outreach
	<b>Funding</b>	CDBG: \$968,000
	<b>Description</b>	Project for CDBG public service activities.
	<b>Target Date</b>	12/31/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Programs include services for youth, families and seniors. 123,400 low mod persons will be served.
	<b>Location Description</b>	

	<b>Planned Activities</b>	Public service activities to include fair housing activities, community engagement, domestic violence prevention, criminal restorative justice, health care, employment training, conflict resolution, and emergency shelter.
<b>5</b>	<b>Project Name</b>	Housing Construction
	<b>Target Area</b>	
	<b>Goals Supported</b>	
	<b>Needs Addressed</b>	Housing rehabilitation assistance Increase homeownership opportunities
	<b>Funding</b>	CDBG: \$400,000
	<b>Description</b>	
	<b>Target Date</b>	12/31/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	2 low/mod homeownership households
	<b>Location Description</b>	
	<b>Planned Activities</b>	Rehabilitation of vacant housing; may include acquisition, demolition or relocation.
<b>6</b>	<b>Project Name</b>	Single Unit Rehabilitation
	<b>Target Area</b>	
	<b>Goals Supported</b>	Housing Rehabilitation
	<b>Needs Addressed</b>	Housing rehabilitation assistance Lead based paint
	<b>Funding</b>	CDBG: \$2,319,000
	<b>Description</b>	Project for single unit rehabilitation activities.
	<b>Target Date</b>	12/31/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Estimated 100 homes rehabbed for low to moderate income families: 20% of those for very low, 40% for low, and 40% for moderate income families.
	<b>Location Description</b>	
	<b>Planned Activities</b>	Project for single unit rehabilitation activities.

7	<b>Project Name</b>	Multi-Unit Rehabilitation
	<b>Target Area</b>	
	<b>Goals Supported</b>	Housing Rehabilitation
	<b>Needs Addressed</b>	Preservation of Affordable Rental Housing Affordable Rental Housing Lead based paint
	<b>Funding</b>	CDBG: \$325,000
	<b>Description</b>	Project for multi-unit rehabilitation activities.
	<b>Target Date</b>	12/31/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Estimate 38 families will benefit from this activity. 40% of those will be very low, 40% will be low, and 20% will be moderate income families.
	<b>Location Description</b>	
	<b>Planned Activities</b>	Multi-unit rehabilitation or development, including acquisition, demolition, and site preparation
8	<b>Project Name</b>	Commercial Corridor and Citywide Economic Development
	<b>Target Area</b>	
	<b>Goals Supported</b>	Economic Development
	<b>Needs Addressed</b>	Economic development needs
	<b>Funding</b>	CDBG: \$525,000
	<b>Description</b>	Activities to assist businesses with expansion, property acquisition, rehabilitation, energy conservation improvements, leasehold improvements and development citywide.
	<b>Target Date</b>	12/31/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	2 jobs will be created. 4 Businesses will be assisted.
	<b>Location Description</b>	
	<b>Planned Activities</b>	Activities to assist businesses with expansion, property acquisition, rehabilitation, energy conservation improvements, leasehold improvements and development citywide.

9	<b>Project Name</b>	HOME Program
	<b>Target Area</b>	
	<b>Goals Supported</b>	Development of New Housing Housing Rehabilitation
	<b>Needs Addressed</b>	Preservation of Affordable Rental Housing Affordable Rental Housing Housing rehabilitation assistance Increase homeownership opportunities
	<b>Funding</b>	HOME: \$1,474,817
	<b>Description</b>	The HOME Program funding may be used for CHDO development and operating activities (the City has met the cumulative 15% CHDO set-aside, so allocating funds to a CHDO is not required this year), City projects, administration, and subrecipient projects. Activities may include single family and multi-family rehabilitation and development, as well as homebuyer assistance. The homebuyer assistance projects will use the resale/recapture criteria being submitted to HUD with this plan. The HOME match requirement will be met with excess match from previous years, as well as match leveraged from new projects. Proposals for HOME funding are accepted throughout the year, and affirmative marketing is required (the MHFA Fair Housing Marketing Plan is used).
	<b>Target Date</b>	12/31/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Estimate 29 families to occupy rental units of which, 40% will be very low, 40% will be low and 20% will be moderate income families. The homeowner unit will be occupied by a family at 51-80% AMI.
	<b>Location Description</b>	
	<b>Planned Activities</b>	New construction and rehabilitation activities; may include single family and multi-family rehabilitation and development as well as homebuyer assistance. Includes City projects, administration and subrecipient activities.
10	<b>Project Name</b>	Emergency Solutions Grant
	<b>Target Area</b>	
	<b>Goals Supported</b>	Homeless Prevention

	<b>Needs Addressed</b>	Homeless prevention strategies Assessing individual homeless persons' needs Emergency shelters and transitional housing Community outreach
	<b>Funding</b>	ESG: \$574,696
	<b>Description</b>	Activities to include homeless prevention, operating costs of shelters, essential services, street outreach, rapid rehousing, and ESG administration.
	<b>Target Date</b>	12/31/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	Activities to include homeless prevention, operating costs of shelters, essential services, street outreach, rapid rehousing, and ESG administration.
11	<b>Project Name</b>	Planning and Administration
	<b>Target Area</b>	
	<b>Goals Supported</b>	
	<b>Needs Addressed</b>	Planning needs
	<b>Funding</b>	CDBG: \$1,288,000
	<b>Description</b>	Funding for the management, coordination, oversight, and monitoring of the CDBG program, and for costs included in the City's approved Indirect Cost Plan. Funding for planning activities in CDBG eligible areas of the City, as well as environmental and historic reviews of HUD funded projects. Funding for costs included in the City's approved Indirect Cost Plan.
	<b>Target Date</b>	12/31/2017
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	

	<b>Location Description</b>	Funding for the management, coordination, oversight, and monitoring of the CDBG program, and for costs included in the City's approved Indirect Cost Plan. Funding for planning activities in CDBG eligible areas of the City, as well as environmental and historic reviews of HUD funded projects. Funding for costs included in the City's approved Indirect Cost Plan.
	<b>Planned Activities</b>	Administration and Planning

DRAFT



## **AP-50 Geographic Distribution – 91.220(f)**

### **Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed**

None of the 2016 activities have an address specific location. All of the activities described in the Action Plan are programs which are available citywide, or have service areas that include one or more neighborhoods (districts) in the City.

A map which shows the areas of the City with at least 51% low/moderate income persons is titled as CDBG eligible block groups and tracts and included in the Appendix. All activities providing an area benefit being carried out in 2016 will have a service area that is located primarily in a shaded portion of the map.

Activities carried out by the City which provide a direct benefit (primarily housing activities) are available citywide to income eligible households, while direct benefit activities carried out by subgrantees are available to income eligible households located in the neighborhoods served by the subgrantee. Many of the subgrantees receiving CDBG funds are located in the Inspiring Communities (formerly known as Invest Saint Paul) initiative priority areas. The City will spend a significant portion of its CDBG and HOME funding on activities located in these areas.

### **Geographic Distribution**

Target Area	Percentage of Funds
Citywide	100

**Table 10 - Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

By allocating investments city-wide geographically, the City of Saint Paul is working to prevent additional concentrations of low income and minority populations through targeted affordable housing projects.

### **Discussion**

## Affordable Housing

### AP-55 Affordable Housing – 91.220(g)

#### Introduction

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	152
Special-Needs	0
Total	152

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	2
Rehab of Existing Units	150
Acquisition of Existing Units	0
Total	152

Table 12 - One Year Goals for Affordable Housing by Support Type

#### Discussion

## **AP-60 Public Housing – 91.220(h)**

### **Introduction**

Saint Paul PHA owns and manages 4253 public housing units and administers 4639 of Housing Choice Vouchers (as of 10/1/2013), including 100 Family Unification Program, 117 DV, 81 Section 8 Mod rehab SRO, and 140 Veterans Affairs Supportive Housing Program. The current and previous approved Plan is available on the HUD website at

<http://www.hud.gov/offices/pih/pha/approved/pdf/12/mn001v02>

Saint Paul PHA has maintained its “High Performer” status under HUD’s Public Housing Assessment (PHAS) for 25 consecutive years. Saint Paul PHA administers HOPE VI activities or Mixed-Finance Modernization and Development.

Saint Paul PHA also maintains its “High Performer” status under HUD’s Section 8 Management Assessment Program. Saint Paul PHA successfully implements and administers current agreements for Project-Based Vouchers (PBV), including PBV(s) in supportive housing that supports State of Minnesota’s Business Plan to End Long-Term Homelessness.

That said, Saint Paul PHA will continue to advocate for full funding and program reform while preparing contingency plans for possible radical cuts in federal funding.

### **Actions planned during the next year to address the needs to public housing**

**Public Housing:** Saint Paul PHA expanded its public housing by building six new units at Roosevelt Townhomes (using Capital Fund Program/Replacement Housing Factor) and four new units at Mt. Airy Homes (preliminary approval using MHFA forgivable loan with HUD approval). Where possible, Saint Paul PHA may convert hi-rise building space from non-dwelling uses to apartments for eligible residents. Saint Paul PHA will also explore opportunities to acquire or construct a multi-family property for public housing rental.

Saint Paul PHA’s Capital Fund Program will continue to renovate public housing properties by financing capital improvements that promote fire safety and life safety while preserving the assets. Saint Paul PHA will maintain high quality and timely design utilizing “green sustainable” principles to conserve energy and water usage.

**Section 8 Housing Choice Voucher Program:** Saint Paul PHA will maintain high utilization of vouchers without exceeding authorized limits. Saint Paul PHA will administer current agreements for Project-Based Vouchers (PBV), including PBVs for supportive housing developments that support Minnesota’s

Plan to End Long-Term Homelessness. Additionally, Saint Paul PHA will renew expiring PBV contracts at successful projects and offer up to 50 more vouchers for PBV use through 2016. However, Saint Paul PHA's Section 8 waiting list remains closed for new applications because Saint Paul PHA currently has high utilization of its 4,639 authorized vouchers

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

Since 1999, the Saint Paul Public Housing Agency (PHA) Board of Commissioners has established the PHA's Resident Advisory Board (RAB) with membership to be comprised of:

- All members of the Hi-Rise Presidents Council (Presidents -16 Hi-Rise buildings).
- All members of the Family Residents' City-Wide Residents Council (16 members, including the four officers from each of the four family housing developments).
- Section 8 representatives who volunteered for the RAB in response to mailings and flyers in the Rental Office.
- Two PHA Commissioners are residents of public housing: one Commissioner represents the elderly hi-rise residents and one Commissioner represents family residents.

Resident Advisory Board membership may fluctuate due to changes in Resident Council officers, residents moving out of public housing or leaving the Section 8 program, etc. Still, some public housing resident-leaders who are not currently members of the Presidents Council or City-Wide Resident Council actively participate in the RAB meetings. RAB meeting agendas are sent to all RAB members and Southern Minnesota Regional Legal Services, Inc. (SMRLS).

During the year, the Saint Paul PHA Senior Management meets with members of the Resident Advisory Board (including the Hi-Rise President Council and the Family Residents City-Wide Resident Council) to discuss PHA policy changes, PHA Annual Plan, and PHA Capital Improvements. As examples, Saint Paul PHA actively encourages discussions about planning capital improvements and PHA policies, such as expanding the Project Based Section 8 Housing Choice Voucher (PBV) program for which PHA received RAB support for renewing contracts and offering a limited number of additional PBVs. Additionally, Saint Paul PHA – Resident Initiative Department and the Resident Councils work together to form new partnerships with community service agencies.

To promote economic opportunities, Saint Paul PHA participates, to the greatest extent possible, with the Section 3 program – by hiring qualified PHA residents and qualified Section 3 businesses.

At this time, Saint Paul PHA has no current plans to implement a Voucher Homeownership Program. For over 20 years, Saint Paul PHA has operated a successful homeownership program (not using Section 8

vouchers) in conjunction with the Family Housing Fund and Thompson Associates. Since 2012, 291 families from public housing and Section 8 had purchased their own homes.

**If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

**Not applicable.** In 2014, Saint Paul PHA receive HUD's "High Performer" rating for the 24th consecutive year under HUD's "Public Housing Management Assessment Program" as well as Saint Paul PHA has a HUD "High Performer" status under HUD's Section 8 Management Assessment Program.

**Discussion**

As previously stated, Saint Paul PHA has achieved High Performer status for both its Public Housing and Section 8 Housing Choice Voucher Program. However, since Saint Paul PHA has a continual need for stable federal funding to maintain its high standards, Saint Paul PHA will continue to advocate for full funding and program reform while preparing contingency plans for possible radical cuts in federal funding. At this time, Saint Paul PHA has no current plans for large-scale conversions of public housing to Section 8 or other forms of assisted housing. If Congress and HUD continue to under fund the Public Housing Operating Fund and Capital Fund, the PHA may consider selling additional scattered site homes and/or converting other public housing units to Section 8 tenant-based or project-based assistance. Staff has previously discussed this option with the Resident Advisory Board which expressed general support. Before taking such a course of action, the Saint Paul PHA would reconvene the Resident Advisory Board to discuss any proposed changes.

## **AP-65 Homeless and Other Special Needs Activities – 91.220(i)**

### **Introduction**

The City of Saint Paul proactively is addressing the problems of homelessness in numerous ways. Most important, the City has strong working partnerships with Ramsey County and service providers to establish a coordinated system that serves homeless and "at-risk of being homeless" individuals, homeless families, and homeless youth. During 2016, the City's Housing Staff will continue to work closely with the Ramsey County Continuum of Care Coordinator (COC) and 18+ community agencies to create comprehensive homelessness prevention delivery services that can assist homeless single adults, homeless families, and homeless unaccompanied youth. The City will participate with the Ramsey County COC Governing Board and the Ramsey County Family Homelessness Prevention Assistance Program to develop program services and program funding strategies that assist homeless residents of Saint Paul. In partnership with the Ramsey County, the City's ESG Program can also respond to underserved homeless populations, such as new refugee families and homeless veterans.

The City will continue to own Saint Paul Residence (120 units) at which Catholic Charities serves sixty (60) chronically-inebriated single adults (using a Housing First model) and sixty (60) at-risk of being homeless residents in the Midway neighborhood.

The City also supports innovative programs that serve homeless residents with mental illness. As an example, in partnership with Listening House (a day drop-in center for homeless residents) and South Metro Human Services, the Saint Paul Police Department continues to support police services that can be responsive to homeless residents with mental illness. The Police Department and Listening House "cross-train" new police cadets and street social workers to better serve homeless residents. Additionally, the Police Department and Listening House co-chair the Police-Downtown Community Homeless Forum to address the needs of homeless residents in downtown Saint Paul.

During 2016, the City of Saint Paul, Minnesota Housing, and Catholic Charities have partnered together to construct the new Dorothy Day Center Higher Ground facility – a new emergency shelter and supportive housing project financed with State of Minnesota bonding dollars.

**Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

**Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

In the City of Saint Paul, outreach services to homeless persons (especially unsheltered persons) with assessment of their needs are provided, but not limited to the following services:

**People Inc. – Metropolitan Homeless Street Outreach Program (MHSOP)** will have a small ESG grant to partially fund street outreach to unsheltered Ramsey County homeless adults who experience mental illness. MHSOP services include providing street outreach, basic survival gear, and assistance in stabilizing mental illness symptoms, benefit assistance, and housing placement. Outreach Specialist address housing needs and can offer access to Ramsey County Group Residential Housing Program to assist the participants to secure stable housing.

**South Metro Human Services – ACCESS Program** provides outreach and case management services to homeless adults with serious and persistent mental illness and substance abuse disorders in Ramsey County. The ACCESS staff visit homeless shelters and drop-in centers in Ramsey County each week. South Metro Human Services also will have a small ESG grant for its Police-Homeless Outreach Program.

**Coordinated Access to Housing and Shelter (CAHS)** conducts intake assessments to determine the most appropriate referral for homeless families seeking emergency shelter.

**Street Outreach to Homeless Veterans** will be provided by People Inc. for Minnesota Assistance Council for Veterans (MAC-V) Supportive Services for Veteran Families Program (funded by US Department of Veterans Affairs and the City's ESG program). Street outreach services to homeless veterans will occur in emergency shelters and places where homeless Veterans may congregate.

**Community Resource Outreach Project** offers weekly outreach to homeless residents who use the Downtown Saint Paul Library during the day. Homeless residents can access community referrals for community resources in the stable quiet environment of the Saint Paul Central Library.

**Streetworks** – Collaborative of community agencies provide street outreach services to homeless youth.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

**Emergency Solutions Grant (ESG).** The City will continue to allocate its Emergency Solutions Grant funds to partially fund the operations of agencies that provide emergency shelters and transitional housing services, street outreach to homeless residents, homelessness prevention, and rapid rehousing programs that assist housing needs of homeless persons. Saint Paul allocates its ESG funding on a competitive basis, with the proposals being reviewed by the City staff and the Ramsey County, Continuum of Care Coordinator for final approval by City Council.

**Emergency Shelter.** The City will allocate ESG funds to assist the operations of the Dorothy Day Center (emergency shelter for adults), Family Service Center (emergency shelter for families), Lutheran Social

Services Safe House (emergency shelter for youth), Salvation Army Booth Brown House, (emergency shelter for homeless youth), Interfaithaction (emergency shelter for families), Listening House (day-drop in center for homeless adults) and The Family Place (day-drop-in center for homeless families).

**Winter-Overflow Emergency Shelter.** As needed, the City will partner with Ramsey County to increase the number of shelter beds for the cold-weather winter months of 2016-2017.

**Rapid Rehousing.** The City allocates ESG funds for rapid rehousing services for homeless adults currently staying at the Dorothy Day Center Emergency Shelter and rapid rehousing services provided by SafeZone for homeless youth.

**Transitional housing.** The City's ESG funds partially pay for operating funds for transitional housing as well as the City's ESG funds assist a transitional housing facility that provides rapid rehousing services.

**Dorothy Day Center ReVision.** City staff are working with Catholic Charities and Minnesota Housing to develop a new Dorothy Day Center. Phase 1 will include 278 shelter beds and 193 single room living units. City staff is also working with Catholic Charities to develop Phase 2 with a new "Connection Center" and up to 170 additional housing units with a wide array of support services

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

The City participates with the Ramsey County Family Prevention Assistance Program, and the Ramsey County Continuum of Care to address the needs of homeless adults, homeless families, and homeless youth. Additionally, the City will participate with the following services during 2016:

**Homeless Adults:** The City's ESG Program funds the Dorothy Day Rapid Rehousing Program which provides case management and housing assistance to assist shelter residents move from Dorothy Day Center into permanent supportive housing. The City also owns the Saint Paul Residence which provides 60 housing units for chronically-inebriated residents (using Housing First model) and 60 units for at-risk of being homeless residents.

**Homeless Families:** The City provides financing for affordable housing, including supportive housing, which provides more opportunities for at-risk of homeless families. The City's ESG funds organizations



that serve homeless families, such as Catholic Charities–Family Service Center, the YWCA transitional housing, YWCA rapid rehousing program, and Theresa Living Center. The City’s ESG also funds East Side Family Center, Southern Minnesota Regional Legal Services – Project Hope, and House Calls (utility assistance funds) as homeless prevention initiatives for at-risk homeless families.

**Homeless Youth:** The City and County recognized that the number of emergency shelter beds for homeless youth remain insufficient. In the recent years, the Otto Bremer Foundation provided grant funding to increase shelter capacity for homeless youth. Subsequently, the City Council approved STAR funding for the 180 Degrees project – a 14-bed emergency shelter for homeless youth. In 2016, the City's ESG funds Salvation Army (emergency shelter), Lutheran Social Services (emergency shelter), Ain Dah Yung (emergency shelter) and Face-to-Face Safe Zone – a youth drop-in center (emergency shelter and a rapid rehousing program) – all programs for unaccompanied homeless youth. Additionally, the City is working with Beacon Interfaith to develop Prior Crossing – an affordable housing project for homeless youth/young adults.

**Homeless Veterans:** Minnesota Assistance Council for Veterans (MACV) provides supportive housing services for veterans, including using ESG funds for street outreach and homeless prevention assistance.

**Affordable Housing: CDBG/HOME/Low Income Housing Tax Credits.** Saint Paul allocates CDBG funds, HOME Funds, and Low Income Housing Tax Credits, as appropriate, to construct or preserve affordable housing, including developing supportive housing for long-term homeless residents. In 2016, these financial tools are assisting Jamestown Homes (preservation of affordable housing), Prior Crossing (new construction for homeless youth), and Hamline Station Family Housing (new construction).

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.**

Ramsey County provides specific programs and counseling to previously-institutionalized or homeless individuals through partnerships with nonprofit service providers to assist in the transition to permanent housing. The County and community agency partnerships are the primary network that performs this function which also includes assistance such as help with security deposit, child care, job training, transportation, mental health counseling, chemical dependency treatment, and job search.

On the other hand, since 2002, the City of Saint Paul has developed supportive housing facilities, such as Crestview, Visitation, and Jackson Street Village, Jeremiah Program, St. Christopher's Place, and Saint Paul's Residence, which serves at-risk individuals and families. During 2016, the City is working with Catholic Charities to develop the new Dorothy Day Center – Higher Ground facility – which will provide services for homeless adults. Additionally, the City is working with Beacon Interfaith to complete Prior Crossing – 44 units of supportive housing for unaccompanied homeless youth. Overall, the City and County work with its community agency partners to fund programs that assist homeless residents. The City's CDBG Funds have also been allocated for the Block Nurse Program and neighborhood non-profit programs that provide assistance to residents-in-need.

## Discussion

In summary, affordable housing and supportive services are provided within the City of Saint Paul to homeless residents and residents who are not homeless but need supportive housing, including the elderly, frail elderly, persons with disabilities, persons with HIV/AIDS, persons with chemical dependency, and persons with limited English-speaking proficiency. That said, these diverse communities have often stated that more affordable housing and more affordable supportive housing are needed citywide. In response, the City of Saint Paul has adopted a Comprehensive Plan including a Housing chapter with strategies to facilitate the development of affordable housing citywide.

<b>One year goals for the number of households to be provided housing through the use of HOPWA for:</b>
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family
Tenant-based rental assistance
Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds
Total

## **AP-75 Barriers to affordable housing – 91.220(j)**

### **Introduction**

The City has affordable housing opportunities including 12,228 publicly-assisted housing units and 4,589 Section 8 vouchers. (approximately 36% of all City renters receive some housing assistance). Yet, the biggest barriers to securing affordable housing are 1) many households lack sufficient incomes to rent modestly-priced apartments and 2) there is a lack of affordable housing opportunities. Simply speaking, housing statistics for City of Saint Paul demonstrate that:

- The greatest rental needs are households with the lowest incomes, especially 0-50% AMI.
- The greatest homeowner needs are among those with moderate incomes. This is consistent with the data and policy in the City's Housing Chapter of the Comprehensive Plan.
- Housing needs for elderly homeowners between 0-50 percent of the AMI are high priorities because many elderly have fixed incomes.
- Housing needs for special needs populations are high priorities

In response, the City's Affordable Housing Policy requires that city-financed rental projects have 10% of the units affordable at 30% AMI and 10% of the units affordable at 50% AMI. Furthermore, the City's Locational Choice Policy and the City's Low Income Housing Tax Credit Selection Process encourage "a more equitable distribution of affordable housing" citywide. Even with seemingly insurmountable barriers, the City has partially financed the preservation, renovation, or new construction of 275 affordable rental housing units— using combined financing, such as low-income housing tax credits, federal funds, such as CDBG, NSP, HOME, TIF, and City's STAR funds.

Still, the City needs federal and state support to finance affordable housing developments. Therefore, the lack of sufficient federal funding and sufficient allocation of low income housing tax credits – as public policies – have negative effects on affordable and residential investments. In 1975, the City received CDBG funding of \$18,835,000. **Forty years later, the City's CDBG funding is \$6,347,173. Similarly, the City received HOME funds of \$2,316,000 in 2000; the City will receive \$1,474,817 in 2016.** At the same time, the City will have less Low Income Housing Tax Credits in 2017 to finance affordable housing and residential investments.

**Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

As previously stated, Saint Paul has 12,222 publicly-assisted affordable housing. In this section, the City's

Action Plan (2016) will identify actions to overcome identified barriers to affordable housing, such as follows:

**Lack of Sufficient Funding and Land for Publicly-Assisted Housing.** Major barriers to developing publicly-assisted affordable housing in Saint Paul are the lack of sufficient funds and lack of available land to meet the affordable housing needs in Saint Paul. In response, the City will continue to finance the preservation, renovation, or new construction of affordable rental housing units citywide— using City-owned land and City financing, such as low-income housing tax credits, federal funds, such as CDBG, NSP, HOME, TIF, and City’s STAR funds for the 2016 projects

## **Discussion**

The City of Saint Paul has affordable housing opportunities such that approximately 36% of all City renters receive some housing assistance. This statistic is a result of numerous public policies and initiatives that support affordable housing citywide, such as

**Zoning Code/Land Use Controls/Growth Limitations:** In recent years, the City amended its zoning code to increase housing density on high-use transportation corridors. Furthermore, the City’s Zoning Code classifies supportive housing as multi-unit housing, similar to apartment buildings. Additionally, the City’s Zoning Code was amended to facilitate the development of supportive housing in industrial areas for chronically-inebriates.

**Service Fees:** The City has developed services fees appropriate for services provided.

**Summary:** The City of Saint Paul has working relationships with the federal and state governments to develop affordable housing in Saint Paul. Furthermore, the City’s Affordable Housing Policies support the development of affordable housing citywide. However, the City lacks sufficient financial capacity to meet the affordable housing needs of all its citizens. Therefore, as public policy, any federal and state budgetary restrictions consequently become major barriers to developing affordable housing in Saint Paul.

## **AP-85 Other Actions – 91.220(k)**

### **Introduction**

This section identifies additional actions required as part of the annual action plan.

### **Actions planned to address obstacles to meeting underserved needs**

In 2016, the City will address many of its underserved needs through the activities of the ongoing, multi-year HUD funded housing programs. The production and preservation of large family units, and units for very low and extremely low income households will be accomplished through the various homeowner, homebuyer, multi-unit, and new housing development programs carried out by the City and its subgrantees with CDBG and HOME funding. The largest obstacle to meeting underserved needs is a lack of funding for these costly activities.

### **Actions planned to foster and maintain affordable housing**

#### **Actions planned to foster and maintain affordable housing**

In 2016, the City will continue to use the majority of its CDBG funding, and all of its HOME and ESG funding for affordable housing activities. Projects and programs which provide assistance for homebuyers, homeowner rehabilitation, rental rehabilitation, and new construction of affordable housing will be carried out by the City and subgrantees. Descriptions of the specific projects and programs can be found in the Consolidated Plan Listing of Projects section of this document. In addition to the HUD funded activities, the City will carry out housing projects in conjunction with the Minnesota Housing Finance Agency, the Metropolitan Council, the Minneapolis-Saint Paul Family Housing Fund, and the Saint Paul Housing and Redevelopment Authority. As of March 1, 2016, the City estimates that there are approximately 874 vacant residential buildings in the City. The City will use the 60% tax credit rent for determining affordable rents for rental housing that is assisted with CDBG funding. HOME projects will use the established HOME rents.

### **Actions planned to reduce lead-based paint hazards**

Saint Paul will continue to comply with the HUD regulations concerning lead based paint, including notifying applicants of the lead requirements, performing lead screening, requiring abatement by certified workers, and completing clearance testing on HUD funded housing projects. The City will also continue to work with Ramsey County on the window replacement program for homes with children and identified lead paint issues.

### **Actions planned to reduce the number of poverty-level families**

In 2016, the City will again provide funding for youth workforce development activities and other related public service activities, which complement the programs provided by Ramsey County, who is the primary provider of public services in Saint Paul. The workforce activities include outreach to participants, participant assessment, basic skills training, job training, job placement, work experience, and follow up. The City will continue to give preference to businesses that are comprised of and employ Section 3 residents. The City and some subgrantees also carry out programs that provide assistance to businesses, which may create jobs for low/moderate income persons.</p>

### **Actions planned to develop institutional structure**

Saint Paul's institutional structure gives the City the opportunity to partner with many organizations. In 2016 the City of Saint Paul Department of Planning and Economic Development (PED) will again work with other City departments, as well as other levels of government (County, State, Federal), non-profit organizations, and private sector developers to plan and implement housing, economic development, and community development activities. Faith-based organizations, such as Catholic Charities and the YWCA are very involved with planning and implementing homelessness initiatives.

More specifically, the City partners with Ramsey County Continuum of Care and 18+ ESG subgrantees to develop comprehensive services that can assist homeless residents and at-risk of being homeless residents, including serving underserved populations such as homeless veterans and new Americans. The City is also working with Catholic Charities to build the new Dorothy Day Center – Higher Ground which will provide emergency shelter, pay-for stay housing, and permanent supportive housing. This project requires working collaborations among Minnesota Housing Finance Agency, Catholic Charities, Saint Paul Public Works, Capitol Regions Watershed District, and Saint Paul Planning and Economic Development. At the same time, Catholic Charities' new medical respite program (at the new Dorothy Day Center) will require coordination among institutional private health care providers, Catholic Charities, and public health care providers such as Health Care for Homeless.

The City's Low Income Housing Tax Credit Program also encourages equity partnership agreements between private housing providers and non-profit housing organizations. Additionally, this program encourages working partnerships among private housing providers, non-profit housing organizations, and community social services that serve low and moderate income residents and homeless residents (contingent upon available resources for such social services).

### **Actions planned to enhance coordination between public and private housing and social**

## **service agencies**

Saint Paul will continue to coordinate services with Ramsey County (the primary public service provider in the City), and the Saint Paul Public Housing Agency (the administrator of public housing and vouchers in Saint Paul) in 2016. The City will also work with metro-wide governmental jurisdictions to amend the regional Analysis of Impediments to Fair Housing Choice. The City will continue to work with Community Development Corporations (CDCs), other non-profit organizations in the City, and the private sector (businesses, developers, social service agencies) to provide housing, economic development, and community development services. City economic development programs provide gap financing, which requires businesses seeking assistance to work with banks and other private sector businesses, as well as CDCs and the Saint Paul Port Authority on commercial and industrial projects. This coordination helps maximize the amount of non-HUD funds invested in these projects.

## **Discussion**

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.220(l)(1,2,4)

#### Introduction

This section addresses the program-specific requirements for the City of Saint Paul's 2016 Annual Action Plan. The City is scheduled to receive \$6,347,173 of CDBG funding, \$1,474,817 of HOME funding, and \$574,696 of ESG funding. The 2016 proposed activities are listed in a previous section of this plan. The City will also receive CDBG program income, which will be used to help fund the activities identified in this plan. A consecutive period of three years: 2014, 2015, & 2016 is being used to determine that the minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income.

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	502,827
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>502,827</b>

#### Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	77.00%



**HOME Investment Partnership Program (HOME)**  
**Reference 24 CFR 91.220(l)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The City does not plan any additional forms of investment beyond eligible uses of HOME funds identified in 92.205.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The guidelines for resale and recapture are included in the following appendix.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

The guidelines for resale and recapture are included in the following appendix.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

The City does not anticipate refinancing existing debt secured by multifamily housing that is rehabilitated with HOME funds. The City includes subordination requirements in its *HOME Funded Home Buyer Requirements & Resale/Recapture Criteria*, which is attached in the following appendix.

**Emergency Solutions Grant (ESG)  
Reference 91.220(l)(4)**

1. Include written standards for providing ESG assistance (may include as attachment)

The 2016-2017 Saint Paul ESG Action Plan is attached in the following appendix.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Ramsey County Continuum of Care has an established centralized coordinated assessment that meets HUD requirements for families experiencing homelessness in Ramsey County. Ramsey County Coordinated Access to Housing and Shelter (CAHS) received 771 total calls from eligible residents. Ramsey County Coordinated Access to Housing and Shelter (CAHS) conducts standardized assessments to determine the most appropriate housing referral/housing alternatives before a homeless families enters the family emergency shelter. The assessment identifies the most appropriate housing program support based upon the needs and barriers of the family. Families that complete the assessment may be referred to the emergency family shelter or housing programs that offer rapid re-housing, transitional housing, permanent supportive housing. Before entering the shelter, a CAHS Diversion Specialist assist families identify the alternative to shelter. With the limited number of available shelter beds, the Shelter Diversion Services maximizes the use of emergency shelter beds for those families with no other housing option. Currently, Ramsey County COC must use state homelessness prevention funds to pay for the CAHS operations.

Ramsey County COC is currently developing coordinated assessment for homeless single adults and unaccompanied youth. That said, Ramsey County COC must seek local funding for these coordinated assessment systems.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The City allocates its ESG funds on a competitive basis to community agencies that provide emergency shelter, transitional housing, rapid rehousing, homelessness prevention assistance, and street outreach services to homeless adults, homeless families, homeless youth, and underserved populations. Prior to the issuance of the RFP, the ESG staff consults with the Ramsey County Continuum of Care (COC) Coordinator to develop a preliminary gap analysis of services, including reviewing the needs of underserved populations. The City and the Ramsey County COC recognize that ESG funding is supplemental to the County's homelessness prevention initiatives, which are

funded with HUD-COC funds and state FHPAP funds. Additionally, ESG staff meet with ESG subgrantees to determine the service level needs of the communities served. Approximately 18+ community agencies apply for ESG funds annually. All proposals are reviewed. ESG staff person consults with Ramsey County COC, City Council staff, and the Mayor's Administration before submitting recommendations for City Council approval. Overall, the ESG funding allocations recognize 1) services to homeless adults, homeless families, homeless youth, and underserved populations, such as new Americans, refugees, and homeless veterans; 2) the supplemental funding needs of COC programs; 3) prior performance of ESG subgrantees; and 4) the national HUD housing objectives.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The City ESG and County COC supports the participation of homeless residents on various issues and projects, such as the Ramsey County Continuum of Care and the Family Homelessness Prevention Assistance Program Committee. It is encouraging to see some homeless residents become empowered by their ongoing participation with the Homeless Advisory Board. Additionally, many ESG subgrantees have participant-driven programming, such that subgrantees encourage input from program participants, including individualized case management meetings, client satisfaction surveys, and group meetings during which program participants can review services, plan events and activities, and help provide solutions to problems and concerns.

5. Describe performance standards for evaluating ESG.

The City's ESG staff person consults with the CPD Monitoring Handbook as well as the City's Compliance Monitoring staff person before conducting a compliance review. When conducting an on-site review, City staff meet with subgrantee to review the following, as appropriate:

- A copy of the current counseling work plan.
- A list of housing counseling staff indicating their years of experience
- Staff training
- Financial records
- List of community service referrals
- Copy of disclosure forms
- Access to housing counseling files.
- List of clients counseled; services provided; description of needs of participants (i.e. meeting HUD

definition of homeless); screening process; review of case management services; and housing assistance provided; cultural competency, and participant-driven programing.

## **Discussion**

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**City of Saint Paul**  
**HOME Funded Home Buyer Requirements**  
**& Resale/Recapture Criteria**

**General provisions**

- > Buyers of housing units assisted with HOME subsidy funds must have incomes at 80% or less of area median income (AMI), adjusted for family size.
- > The property must be the principal residence of the buyer during the affordability period.
- > The property value must be less than the HUD established maximum property value.
- > The property must meet minimum property standards.
- > In the event HOME assistance is used in conjunction with HUD ADDI funds, the buyers must be first-time homebuyers.
- > The amount of HOME funding may not exceed the HOME subsidy limits.
- > The minimum Affordability Period ( with the exception of ADDI assistance) is based on the amount of HOME assistance provided:
  - <\$15,000 of HOME Funds 5 yrs
  - \$15,000-\$40,000 10 yrs
  - >\$40,000 15 yrs
- In the event HOME assisted projects include both direct and indirect subsidies, the affordability period is calculated on the direct assistance only.
- > In the event senior mortgage loan liens on HOME assisted units are refinanced, current City/HRA policies and rules regarding subordination requests will apply. Generally, subordination of HOME loan liens will be approved:
  - To allow a lender to pay-off a home owner's secured debt at prevailing market rates and fees, which is senior to the HOME lien. (Subordination will not be approved for sub-prime loans, open-ended lines of credit or junior liens.)
  - To allow the home owner to obtain a secured home improvement loan to make capital improvements.
  - Subordination will not be approved for paying off consumer debt or taking cash out.

**Options**

The selection of either the "Recapture" or "Resale" option must be made at the time initial HOME assistance is provided. Properties subject to the "Resale" option because the HOME assistance is in the form of a development subsidy will not be allowed to also receive HOME assistance for down payment or closing cost assistance.

If the property is sold **before the end of the HOME required affordability period:**

- When the HOME assistance is in the form of a direct subsidy to the buyer (e.g., down payment and closing cost assistance), either the "Recapture" or "Resale" option may be selected.
- When the HOME assistance is in the form of a development subsidy, the "Resale" option must be selected.

If the property is sold **after the HOME required affordability period:**

- The "Resale" requirements no longer apply.
- The "Recapture" requirements apply for a minimum of ten years. (The Recapture requirements apply for the HOME required affordability period or ten years, whichever is greater.)

### **Resale Provisions**

> If the property is sold during the HOME required affordability period (5-15 years), the following conditions must be met:

- The property must be sold to a buyer with income verified at 80% or less of AMI adjusted for family size.
- The sale price must be "affordable" (as defined below) to the new buyer. If necessary, the City will provide down payment or other assistance to the new buyer to help ensure that the property is affordable to a large range of potential buyers, and that the original homebuyer receives a fair return on their original investment and capital improvements they have made to the property.

*"Affordable" is defined as the purchase price which is based on FHA underwriting standards (underwriting based on 33% of monthly income for PITI [principal, interest, property taxes & insurance]) and a current, fixed interest rate, for a 30-year mortgage loan.*

*An estimated affordable purchase price assumes the buyer has a household size of 1.5 persons per bedroom, and 95% of the purchase price is financed and the loan is based on FHA underwriting standards [above].*

- The original homebuyer (and any subsequent sellers during the HOME required affordability period) must receive a "fair return on investment."

*"Fair return on investment" is defined as the sales price of the unit (not greater than the appraised value), minus the then current indebtedness (all outstanding principal & interest payment obligations) and reasonable sales costs including*

*real estate sales commission, but not greater than the "affordable" purchase price to a*



*household with income at 80% of AMI.*

- At time of resale, homebuyer must receive a fair return on investment, including capital improvements, which are defined as improvements to the home that are not considered maintenance related expenditures. The City will use the average change in the Consumer Price Index over the period of ownership to calculate a fair return as its standard index for fair return on the investment.
- The property must have deed restrictions or land covenants to enforce resale restrictions.

If a subsequent buyer(s) does not receive additional HOME assistance, the affordability period for a subsequent buyer(s) is the remaining time for the initial buyer. If additional HOME assistance is provided to a subsequent buyer(s), the initial buyer affordability period is terminated and a new buyer affordability period is started based on the amount of the new HOME assistance.

In the event HOME funds are used as a development subsidy in projects developed by Twin Cities Habitat for Humanity or Rondo Community Land Trust, the Resale provisions utilized by these entities will apply, but the HOME Resale requirements period will not exceed the maximum HOME required period. The following are their Resale requirements:

#### Habitat for Humanity (TCHFH)

##### 30YearAffordability:

TCHFH incorporates into its second mortgages a home repurchase clause which extends for a fixed 30-year term TCHFH's right to repurchase the home in accordance with a predetermined formula, in order to guarantee 30 years of affordability and still offer first mortgage terms of 20 and 25 years, the second mortgage remains in effect after the first mortgage is fully paid.

##### Years 1 through 5 Repurchase Formula:

The home repurchase formula will determine the selling price of the home to TCHFH. The home repurchase price will include all first mortgage payments made to-date plus reasonable costs of TCHFH authorized, documented improvements plus the remaining first and second mortgage balances which are then subsequently paid or forgiven. The repurchase formula will grant TCHFH 100% of market appreciation during the first 5 years of ownership

##### Years 6 through 30 Repurchase Formula:

The home repurchase formula will determine the selling price of the home to TCHFH. After five years, the home repurchase price will include all first mortgage payments made to-date plus reasonable costs of TCHFH authorized, documented improvements plus the remaining first and second mortgage balances which are then subsequently paid or forgiven. Additionally, the owner retains 25% of the market appreciation since purchase. This price formula will be in effect for a fixed 30 year term.

#### Rondo Community Land Trust (RCLT)

Home buyers enter into a 99-year renewable ground lease the day they purchase a home. If RCLT does not already own the land beneath the home, it will take title at the time of closing. If the home buyer wishes to sell the home, they must adhere to one of the following:

- The house may be sold to Rondo, who has first right of refusal;
- The house may be sold to another low-moderate income buyer;
- The home may be given to another person listed on the ground lease, provided the new owners abide by the ground lease; or
- The home may be given to another person, provided s/he meets the income guidelines and agree to abide by the ground lease.

Other provisions are as follows:

1. The sale price must be "affordable" to the new buyer.

*"Affordable " is defined the cost of housing that does not exceed 30% of household's monthly income for PITI (principal, interest, taxes & insurance). The household has sufficient income to support housing costs and is pre-qualified for a mortgage as evidenced by a letter from a lending institution.*

2. The original homebuyer (and any subsequent sellers during the HOME required affordability period) must receive a "fair return on investment."

*"Fair return on investment" is defined as 25% of the property's appreciation over the initial purchase price.*

Additional information is in Attachment.

### **Recapture Provisions**

- During the HOME program required affordability period, the property may be sold to any willing buyer, but the HOME subsidy funds must be repaid. The subsidy principal amount is due-on-sale of the property with 0% simple interest per year. If the net proceeds from the sale of the property are insufficient to repay the HOME subsidy, only the net proceeds must be repaid. If more than one entity has provided HOME assistance to the property, and the net proceeds are insufficient to fully repay each entity, each entity will be repaid on a pro rata basis.

### **AMERICAN DREAM DOWNPAYMENT INITIATIVE**

The loan terms of the American Dream Downpayment Initiative will be administered as follows:

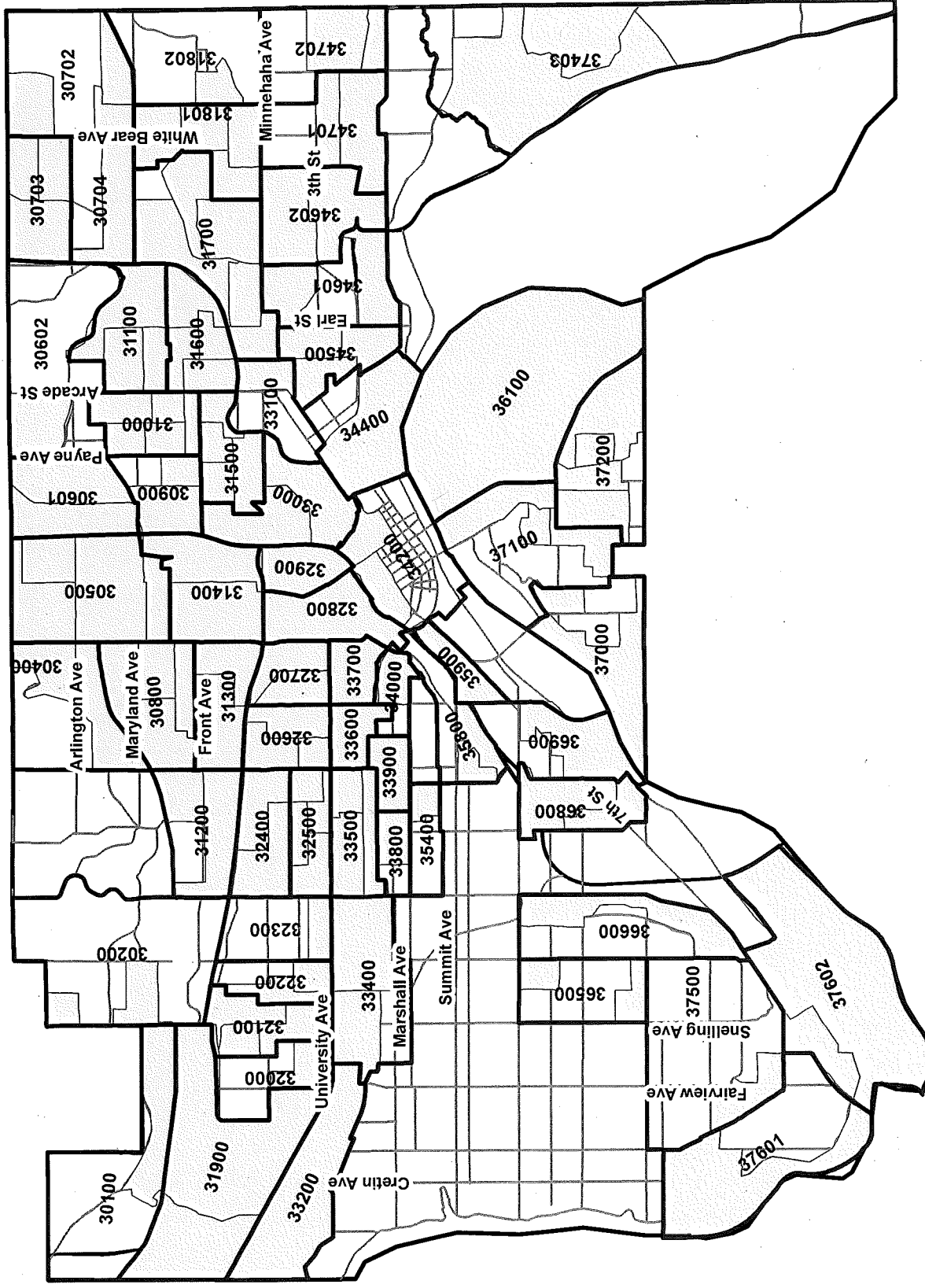
1. Maximum loan amount may not exceed the greater of 6% of the purchase price or \$10,000, not to exceed \$14,999.
2. 0% Interest.
3. 5 year term, total loan amount forgiven after 5 years.
4. ADDI will not be used with other HOME funds.

## Rondo Attachment

Rondo Community Land Trust works within the priorities set by the community, exploring various developmental methods and remaining flexible in its revitalization approaches. Rondo CLT works directly with homebuyers by providing purchase price buy-down and rehabilitation grants for houses for sale within the community. Households whose incomes are between 50 and 80% of the Twin Cities area median income qualify for Rondo CLT's HEP program.

Rondo CLT creatively meets housing needs while preserving the economic and cultural diversity of the community using the land trust model of homeownership. While the land trust model has proven successful for over 90 years in preserving undeveloped land, it has been used to maintain housing affordable for just over 20 years. Homebuyers purchasing houses through community land trust programs buy *only the house*, and enter into a 99-year "ground lease" for the land. The land remains the property of the community land trust, which is governed by a Board of Directors, made up of land trust homeowners, affordable housing advocates and other community members. To ensure affordability for future generations, Rondo CLT's ground lease includes a limited appreciation formula that is used upon resale of the home. If and when the homeowner decides to sell their house, the ground lease requires them to sell it to another household of low-to moderate income for the original sales price plus 25% of any appreciation in the home's value. This allows the home to remain affordable for the next generation of low-income homebuyers, and allows the original buyer to gain equity in their home. The need to continually re-subsidize or lose the property's affordability due to real estate speculation is eliminated. The initial investment in affordable housing is recycled again and again. Equally as important, this affordable housing option gives houses with low to moderate incomes the opportunity to earn equity and appreciation in the real estate market not available in the rental market.

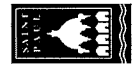




Source: U.S. HUD, U.S. Census Bureau, Saint Paul PED, Ramsey County

### CDBG eligible block groups and tracts

Date: 2/12/2015





**CITY OF SAINT PAUL, MINNESOTA  
EMERGENCY SOLUTIONS GRANT  
2014-2015 ACTION PLAN**

DRAFT

Information regarding the 2013-2014 Action Plan  
Please call Joe Collins, Saint Paul Planning and Economic Development Department at 651-  
266-6020 or [joe.collins@ci.stpaul.mn.us](mailto:joe.collins@ci.stpaul.mn.us)

**Table 3**

**Consolidated Plan Listing of Projects**

**Applicant's Name** City of Saint Paul, MN  
**Priority Need** Homeless  
**Project Title** Emergency Solutions Grant

**Project Description**

The City will use Emergency Solutions Grant funding for homeless prevention, operating costs of shelters, essential services, rapid rehousing (rental assistance, case management, data collection) and ESG administration. The allocation process for ESG funds will occur in late summer or early fall, when an RFP will be published and also sent to providers of homeless services. All applicants are required to provide a 1 to 1 match, which consists of foundation, private sector, State and local funding.

Objective Category: Suitable Living Environment    ☒ Decent Housing    Economic Opportunity

Outcome Category:    ☒ Availability/Accessibility    Affordability    Sustainability

**Location:** Community Wide

<b>Objective Number</b> Housing 4 Homeless 1 - 4	<b>Project ID</b> 14	<b>Funding Sources:</b>  CDBG  ESG  HOME  HOPWA  Total Formula 541,808  Prior Years Funding  Assisted Housing  PHA  Other Funding  <b>Total 541,808</b>
<b>HUD Matrix Code</b> 03C	<b>CDBG Citation</b> 570.201(C)	
<b>Type of Recipient</b> Subrecipient	<b>CDBG National Obj.</b>	
<b>Start Date</b> 01/01/15	<b>Completion Date</b> 12/31/15	
<b>Performance Indicator</b> Persons	<b>Annual Units</b> 1200	
<b>Local ID</b>	<b>Units Upon Completion</b> 2000	

The primary purpose of this project is to help:    ☒ The Homeless    Persons with HIV/AIDS    Persons with Disabilities  
Public Housing Needs



**Table 3**

**Consolidated Plan Listing of Projects**

**Applicant's Name** City of Saint Paul, MN

**Priority Need** Homeless

**Project Title** Emergency Solutions Grant – Street Outreach

**Project Description**

The City may use Emergency Solutions Grant funding for street outreach to homeless youth and/or homeless adults with mental health challenges who are living outside. The allocation process for ESG will occur during late summer or early fall when RFP will be published and sent to homeless services. ESG requires a 1 to 1 match so that applicants must provide 1 to 1 match by securing funds from foundations, the private sector, State funds, local funds or overall the 1 to 1 match may also be recognized within the total ESG program.

Objective Category: Suitable Living Environment    ☒ Decent Housing    Economic Opportunity

Outcome Category:    ☒ Availability/Accessibility    Affordability    Sustainability

**Location:** Community Wide

<b>Objective Number</b>	<b>Project ID</b>	<b>Funding Sources:</b>  CDBG  ESG (maximum) \$20,000  HOME  HOPWA  Total Formula \$20,000  Prior Years Funding  Assisted Housing  PHA  Other Funding  <b>Total (max allocation) \$20,000</b>
Housing 4 Homeless 1 – 4	14	
<b>HUD Matrix Code</b>	<b>CDBG Citation</b>	
03C	570.201(C)	
<b>Type of Recipient</b>	<b>CDBG National Obj.</b>	
Subrecipient		
<b>Start Date</b>	<b>Completion Date</b>	
01/01/15	12/31/15	
<b>Performance Indicator</b>	<b>Annual Units</b>	
Persons	Outreach to approximately 50 persons	
<b>Local ID</b>	<b>Units Upon Completion</b>	
	Outreach to approximately 50 persons	

The primary project purpose assists ☒ The Homeless    Persons with HIV/AIDS    Persons with Disabilities    Public Housing Needs

**Table 3****Consolidated Plan Listing of Projects**

**Applicant's Name** City of Saint Paul, MN

**Priority Need** Homeless

**Project Title** Emergency Solutions Grant – Emergency Shelter Operations

**Project Description**

The City will use Emergency Solutions Grant funding for operating costs of emergency shelter and transitional housing. The allocation process for ESG will occur during late summer or early fall when RFP will be published and sent to homeless services. ESG requires a 1 to 1 match so that applicants must provide 1 to 1 match by securing funds from foundations, the private sector, State funds, local funds or overall the 1 to 1 match may also be recognized within the total ESG program.

Objective Category: Suitable Living Environment    ☒ Decent Housing    Economic Opportunity

Outcome Category:    ☒ Availability/Accessibility    Affordability    Sustainability

**Location:** Community Wide

<b>Objective Number</b> Housing 4 Homeless 1 – 4	<b>Project ID</b> 14	<b>Funding Sources:</b>  CDBG  ESG      \$276,000  HOME  HOPWA  Total Formula      \$276,000  Prior Years Funding  Assisted Housing  PHA  Other Funding  <b>Total (estimated) \$276,000</b>
<b>HUD Matrix Code</b> 03C	<b>CDBG Citation</b> 570.201(C)	
<b>Type of Recipient</b> Subrecipient	<b>CDBG National Obj.</b>	
<b>Start Date</b> 01/01/15	<b>Completion Date</b> 12/31/15	
<b>Performance Indicator</b> Persons	<b>Annual Units</b> 750 persons	
<b>Local ID</b>	<b>Units Upon Completion</b> 1200	

The primary project purpose assists    ☒ The Homeless    Persons with HIV/AIDS    Persons with Disabilities    Public Housing Needs

**Table 3**

**Consolidated Plan Listing of Projects**

**Applicant's Name** City of Saint Paul, MN

**Priority Need** Homeless

**Project Title** Emergency Solutions Grant – Homeless Prevention Component

**Project Description**

The City will use Emergency Solutions Grant funding for homelessness prevention component. The allocation process for ESG will occur during late summer or early fall when RFP will be published and sent to homeless services. ESG requires a 1 to 1 match so that applicants must provide 1 to 1 match by securing funds from foundations, the private sector, State funds, local funds or overall the 1 to 1 match may also be recognized within the total ESG program.

Objective Category: Suitable Living Environment    ☒ Decent Housing    Economic Opportunity

Outcome Category:    ☒ Availability/Accessibility    Affordability    Sustainability

**Location:** Community Wide

<b>Objective Number</b>	<b>Project ID</b>	<b>Funding Sources:</b>
Housing 4 Homeless 1 – 4	14	CDBG
<b>HUD Matrix Code</b>	<b>CDBG Citation</b>	ESG      \$90,000
03C	570.201(C)	HOME
<b>Type of Recipient</b>	<b>CDBG National Obj.</b>	HOPWA
Subrecipient		Total Formula      \$90,000
<b>Start Date</b>	<b>Completion Date</b>	Prior Years Funding
01/01/15	12/31/15	Assisted Housing
<b>Performance Indicator</b>	<b>Annual Units</b>	PHA
Persons	50 households (approximately)	Other Funding
<b>Local ID</b>	<b>Units Upon Completion</b>	<b>Total Estimated    \$90,000</b>
	50 households (approximately)	

The primary project purpose assists    ☒ The Homeless    Persons with HIV/AIDS    Persons with Disabilities    Public Housing Needs

**Table 3****Consolidated Plan Listing of Projects**

**Applicant's Name** City of Saint Paul, MN

**Priority Need** Homeless

**Project Title** Emergency Solutions Grant – Rapid Rehousing Program Component

**Project Description**

The City will use Emergency Solutions Grant funding for rapid rehousing program . The allocation process for ESG will occur during late summer or early fall when RFP will be published and sent to homeless services. ESG requires a 1 to 1 match so that applicants must provide 1 to 1 match by securing funds from foundations, the private sector, State funds, local funds or overall the 1 to 1 match may also be recognized within the total ESG program.

Objective Category: Suitable Living Environment    ☒ Decent Housing    Economic Opportunity

Outcome Category:    ☒ Availability/Accessibility    Affordability    Sustainability

**Location:** Community Wide

<b>Objective Number</b>	<b>Project ID</b>	<b>Funding Sources:</b>
Housing 4 Homeless 1 – 4	14	CDBG
<b>HUD Matrix Code</b>	<b>CDBG Citation</b>	ESG      \$100,173
03C	570.201(C)	HOME
<b>Type of Recipient</b>	<b>CDBG National Obj.</b>	HOPWA
Subrecipient		Total Formula      \$100,173
<b>Start Date</b>	<b>Completion Date</b>	Prior Years Funding
06/01/13	12/31/14	Assisted Housing
<b>Performance Indicator</b>	<b>Annual Units</b>	PHA
Persons	Approximately 30 households 50 persons	Other Funding
<b>Local ID</b>	<b>Units Upon Completion</b>	<b>Total (approximately) \$100,173</b>
	Approximately 30 households 50 persons	

The primary project purpose assists    ☒ The Homeless    Persons with HIV/AIDS    Persons with Disabilities    Public Housing Needs

**Table 3**

**Consolidated Plan Listing of Projects**

**Applicant's Name** City of Saint Paul, MN

**Priority Need** Homeless

**Project Title** Emergency Solutions Grant – Administration

**Project Description**

The City will use Emergency Solutions Grant funding for administration of the Emergency Solutions Grant Program.

Objective Category: Suitable Living Environment    ☒ Decent Housing    Economic Opportunity

Outcome Category:    ☒ Availability/Accessibility    Affordability    Sustainability

**Location:** Community Wide

<b>Objective Number</b>	<b>Project ID</b>	<b>Funding Sources:</b>
Housing 4 Homeless 1 – 4	14	CDBG
<b>HUD Matrix Code</b>	<b>CDBG Citation</b>	ESG      \$40,635
03C	570.201(C)	HOME
<b>Type of Recipient</b>	<b>CDBG National Obj.</b>	HOPWA
Subrecipient		Total Formula      \$40,635
<b>Start Date</b>	<b>Completion Date</b>	Prior Years Funding
06/01/13	12/31/14	Assisted Housing
<b>Performance Indicator</b>	<b>Annual Units</b>	PHA
Persons	Approximately 1373 persons served	Other Funding
<b>Local ID</b>	<b>Units Upon Completion</b>	<b>Total (estimated) \$40,635</b>
	Approximately 1373 persons served	(7.5% of overall grant award)

The primary project purpose assists    ☒ The Homeless    Persons with HIV/AIDS    Persons with Disabilities    Public Housing Needs

**Table 3**

### Consolidated Plan Listing of Projects

**Applicant's Name** City of Saint Paul, MN

**Priority Need** Homeless

**Project Title** Emergency Solutions Grant – HMIS Component

**Project Description**

The City will use Emergency Solutions Grant funding for HMIS component for the Emergency Solutions Grant Program.

Objective Category: Suitable Living Environment    ☒ Decent Housing    Economic Opportunity

Outcome Category:    ☒ Availability/Accessibility    Affordability    Sustainability

**Location:** Community Wide

<b>Objective Number</b> Housing 4 Homeless 1 – 4	<b>Project ID</b> 14	<b>Funding Sources:</b>  CDBG  ESG      \$15,000  HOME  HOPWA  Total Formula      \$15,000  Prior Years Funding  Assisted Housing  PHA  Other Funding  <b>Total (estimated) \$15,000*</b>  <b>*Actual need of HMIS may be higher.</b>
<b>HUD Matrix Code</b> 03C	<b>CDBG Citation</b> 570.201(C)	
<b>Type of Recipient</b> Subrecipient	<b>CDBG National Obj.</b>	
<b>Start Date</b> 06/01/13	<b>Completion Date</b> 12/31/14	
<b>Performance Indicator</b> Persons	<b>Annual Units</b> Approximately 1373 persons served	
<b>Local ID</b>	<b>Units Upon Completion</b> Approximately 1373 persons served	

The primary project purpose assists    ☒ The Homeless    Persons with HIV/AIDS    Persons with Disabilities    Public Housing Needs

## CITY OF SAINT PAUL

### 2014-2015 EMERGENCY SOLUTIONS GRANT PROGRAM – ACTION PLAN

**OVERVIEW:** For 2014-2015, the City intends to allocate its Emergency Solutions Grant (“ESG”) funds to agencies that provide homeless prevention services, emergency shelter facilities, transitional housing, rapid rehousing services, counseling services, and street outreach services. The ESG funds will be awarded on a competitive basis with proposals reviewed by the City, Ramsey County Continuum of Care Coordinator, former *Heading Home Ramsey – Plan to End Homelessness* Coordinator, City Council, and Mayor’s Administration. In general, approximately 18 – 22 community agencies that serve Saint Paul residents who are homeless or at-risk of being homeless apply annually for ESG funds for which the City Council considers for final approval. Prior to the 2014-2015 ESG Program, the City had amended its Consolidated Plan so that the City’s Emergency Solutions Grant Program can place additional emphasis on rapid rehousing services and street outreach.

During 2014-2015, the City will continue to partner with Ramsey County to implement the County’s Continuum of Care program which provides homelessness prevention and rapid rehousing services to homeless single adults, homeless families, and homeless youth. During the HUD year, the City and County staff will work with Ramsey County Continuum of Care Coordinator and community agencies to develop a pilot program for coordinated entry and coordinated assessment for single adults – pending available funding since the County Continuum of Care have already allocated Family Homelessness Prevention Assistance Program (“FHAP”) funds for a coordinated assessment process for homeless families seeking emergency shelter.

During the HUD year, the City will continue to participate with the Ramsey County Continuum of Care, the Ramsey County COC Governing Committee, and Ramsey County FHAP Committee to implement *Heading Home Ramsey* – a comprehensive plan to end homelessness in Ramsey County.<sup>1</sup> Additionally, the City is working with State of Minnesota Veterans Homelessness Advisory Committee to develop a housing initiative to serve homeless veterans. At the same

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<sup>1</sup> *Heading Home Ramsey* called for the creation of 670 units of permanent supportive housing in Saint Paul by 2010. By December 2011, the City and its funding partners achieved its goal by financing 738 supportive housing, including new construction or rehabilitation (375 units), securing additional 349 rental assistance/vouchers and operating subsidy for 14 supportive housing units. Nonetheless, the viability of the *City/County Plan to End Long-Term Homelessness* remains dependent upon receiving rental assistance funds from HUD. Without such federal funds, the City has limited ability to support this federal initiative to serve chronically homeless citizens.

time, the City of Saint Paul will continue to own Saint Paul Residence which provides 120 units of support housing, including 60 units for chronically-inebriated residents. Additionally, during 2014, City staff will continue to work with Catholic Charities to determine the appropriate building facility to meet increasing service demand of homeless residents using the Dorothy Day Center.

Throughout the HUD year, the City will continue to support innovative programs that serve homeless residents with mental illness. For example, the Saint Paul Police Department works with Listening House and South Metro Human Services to develop police services that are responsive to homeless residents with mental illness. The Police Department and Listening House “cross-train” new police cadets and street social workers to better serve homeless residents. Additionally, the Police Department and Listening House co-chair the Police-Community Forum to address the needs of homeless residents in Downtown Saint Paul. In response to a recent Police-Community Forum, the City and County have financed an overflow shelter for homeless residents during the winter months. Additionally, the City and Catholic Charities developed a rapid rehousing program and street outreach to homeless residents who use the Downtown Saint Paul Central Library during the day.

As the ESG administrator, the City supports the participation of homeless residents on various issues and projects, such as the Ramsey County Continuum of Care and the Family Homelessness Prevention Assistance Program Committee. It is encouraging to see some homeless residents become empowered by their ongoing participation with the Homeless Advisory Board.

Finally, it should be noted that CDBG funds are allocated to the Block Nurse and Neighborhood Non-Profit programs which provide assistance for homeless persons as well as persons with special needs. It goes without saying that the City is fortunate to have the Health Care for the Homeless (HCH) clinics that generally serve approximately 3500 unduplicated homeless residents annually at eight shelter and drop-in centers in Saint Paul. This program receives federal grant funds allocated from the Stewart McKinney-Bruce Vento Act to End Homelessness. The Health Care for the Homeless remains an essential service for our homeless residents. Furthermore during the 2013-2014 ESG, Catholic Charities continued to provide rapid rehousing services to emergency shelter residents who are “medically-compromised” – so case managers can coordinate rapid rehousing services with appropriate health care services so that emergency shelter residents can secure and maintain permanent housing.

### **2013-2014 ESG § 576.100 General provisions and expenditure limits.**

For 2013-2014 ESG, the City of Saint Paul will allocate its ESG funds to five program components street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and HMIS; as well as administrative activities. The five program components and the



eligible activities that may be funded under each are set forth in 24 CFR §576.101 through §576.107. Eligible administrative activities are set forth in 24 CFR §576.108.

Under § 576.100(b) the total amount of the recipient's fiscal year grant that may be used for street outreach and emergency shelter activities cannot exceed the greater of:

- (1) 60 percent of the recipient's fiscal year grant totaling \$300,703; or
- (2) The amount of Fiscal Year 2010 ESG grant was \$350,982.
- (3) The City will allocate up to 60% of its fiscal year grant to street outreach and emergency shelter activities.

Under § 576.100(c), the total amount of ESG funds for administrative activities will not exceed 7.5 percent of the recipient's fiscal year grant.

#### **2014-2015 ESG STREET OUTREACH COMPONENT**

Pursuant to C.F.R. §24 576.102., the City's ESG funds may be used for street outreach if provided to homeless youth or homeless single adults who live outside and have mental health challenges. The maximum allocation for street outreach will be \$20,000 for FY 2014-2015. That said, due to the demand for emergency shelter, the City of Saint Paul will place a higher priority on paying for emergency shelter operations and essential services when allocating ESG funds under C.F.R. §24 576.100(b). Subrecipients that request ESG funds for street outreach must comply with C.F.R. §24 576.101, as follows:

- (a) *Eligible costs.* Subject to the expenditure limit in §576.100(b), ESG funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, non facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. For the purposes of this section, the term "unsheltered homeless people" means individuals and families who qualify as homeless under paragraph (1)(i) of the "homeless" definition under §576.2. The eligible costs and requirements for essential services consist of:
  - (1) *Engagement.* The costs of activities to locate, identify, and build relationships with unsheltered homeless people and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. These activities may include initial needs assessment, eligibility assessment; providing crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; and actively connecting homeless residents to appropriate services, including mainstream social services and housing programs, such as emergency shelter, community-based services, permanent supportive housing, and rapid re-housing programs. Eligible costs may include the cell phone costs for street outreach workers during the performance of these activities.

- (2) *Case management.* The cost of assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant. Eligible services and activities are as follows: using the centralized or coordinated assessment system; conducting the initial evaluation required under §576.401(a), including verifying and documenting eligibility; counseling; coordinating services; obtaining Federal, State, and local benefits; monitoring and evaluating program participant progress; providing information and referrals to other providers; and developing an individualized housing and service plan, including planning for permanent housing stability.
  - (3) *Transportation.* The transportation costs of travel by outreach workers or other service providers are eligible, provided travel occurs during the provision of eligible services. The costs of transporting unsheltered people to emergency shelters or other service facilities are also eligible.
  - (4) *Services for special populations.* ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a)(1) through (a)(3) of this section.
- (b) *Minimum period of use.* The subrecipient must provide services to homeless individuals and families for the period during which ESG funds are provided.
  - (c) *Maintenance of effort.* The City's ESG funds will not be used to replace funds the local government provided for street outreach and emergency shelter services during the immediately preceding 12-month period, unless HUD determines that the unit of general purpose local government is in a severe financial deficit.

## **2014-2015 ESG EMERGENCY SHELTER COMPONENT**

In recognition of the local needs, the City's 2014-2015 ESG funds will place a high priority on paying emergency shelter operations, including essential services, and some ESG funds will be allocated for homelessness prevention activities. That said, the City will not allocate any ESG funds for major rehabilitations, conversions or building renovations. Subrecipients requesting ESG funds for emergency shelter and essential services must comply with C.F.R. §24 576.102, as follows:

- (a) *General.* Subject to the expenditure limit in §576.100(b), ESG funds may pay for providing essential services to homeless families and individuals in emergency shelters and operating costs emergency shelters, including transitional housing.
- (b) *Essential services* may include case management, including using the centralized or coordinated assessment system. However, it must be noted that the City, Ramsey County, and community services providers are still developing a pilot coordinated assessment process for families – pending approval of funding from State of Minnesota. If funded, then coordinated assessment process would include screening, initial evaluation, and diversion. As necessary, coordinated assessment will include more

intensive evaluation in order to provide referral to emergency shelter or other community services. Eligible activities could include:

- (1) Conducting the initial evaluation required under §576.401(a), including verifying and documenting eligibility;
- (2) Counseling;
- (3) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
- (4) Monitoring and evaluating program participant progress;
- (5) Providing information and referrals to other providers;
- (6) Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and
- (7) Developing an individualized housing and service plan, including planning a path to permanent housing stability.

- (c) *Shelter operations.* For 2014-2015, Saint, Paul ESG funds may be used to pay eligible operating costs of emergency shelters or transitional housing, such as maintenance costs (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. NOTE: The ESG-Emergency Shelter Program Component is essential to the City/County Plan to End Homelessness. Therefore, in consultation with Ramsey County Continuum of Care and Saint Paul homeless service providers, the City places a high priority of allocating ESG funds for emergency shelter operations.

As part of the ESG – Emergency Shelter Component, Saint Paul ESG may pay for the transportation costs of a program participant's travel for medical care, employment, child care, or other eligible essential services. Transportation costs may include cost of a program participant's travel on public transportation; service worker's transportation costs to visit program participants; or operating costs, such as cost of gas, insurance, taxes, and maintenance for the vehicle as necessary to transport program participants and/or staff serving program participants.

*Prohibition against involuntary family separation.* The age, of a child under age 18 must not be used as a basis for denying any family's admission to an emergency shelter that uses Emergency Solutions Grant (ESG) funding or services and provides shelter to families with children under age 18.

- (c) *Non-funded costs for Saint Paul ESG.* In response to local needs, the City's ESG funds will not pay for costs incurred for day care, education services, employment assistance, job training, outpatient health services, life skills training, mental health services, mental

health services, or substance abuse treatment services. Moreover, the City's ESG funds will not pay any renovation costs nor any costs to convert a building into an emergency shelter.

*Minimum period of use.* Where ESG funds are used solely for essential services or shelter operations, the subrecipient must provide services or shelter to homeless individuals and families for the period during which ESG funds are provided. The subrecipient does not need to limit these services or shelter to a particular site or structure, so long as the site or structure serves the same type of persons originally served with the assistance or serves homeless persons in the same area where the subrecipient originally provided the services or shelter.

## **2014-2015 ESG HOMELESSNESS PREVENTION ASSISTANCE**

Pursuant to C.F.R. §24 576.103, the City's ESG funds may pay for homelessness prevention, such as housing relocation and stabilization services, short-term rental assistance, and medium-term rental assistance, utility default payment, and legal services as necessary to prevent individuals or families from moving into emergency shelters or other place as described in paragraph 1 of the "homeless" definition of C.F.R §24 576.2.

Homelessness prevention assistance may be provided to individuals or families who meet the criteria under the "risk of being homelessness" as defined in C.F.R §24 576.2 or who meets the criteria under paragraph (2),(3) or (4) of the "homeless" definition in C.F.R §24 576.2 and have incomes at or below 30% of AMI as determined by HUD.

In general, Saint Paul ESG funds – Homelessness Prevention Component will be used for default rental payments, default utility payments, first month's rent payment, rental deposits or legal costs provided by a non-profit Legal Aid as necessary to prevent evictions or building condemnations which could result in homelessness.

The costs of homelessness prevention activities are only eligible to the extent that homelessness prevention assistance is necessary to help the program participant regain stability in the program participant's current permanent housing or move into permanent housing and achieve stability in that housing. Homelessness prevention must be provided in accordance with the housing and stabilization services requirements in C.F.R §24 576.05, the short-term and medium rental assistance in C.F.R §24 576.106, and the written standards and procedures established under C.F.R §24 576.400

## **RISK FACTORS FOR DETERMINING ELIGIBILITY- PREVENTION ASSISTANCE.**

Subrecipients will use the guidelines to identify risk factors and determine whether homelessness prevention assistance is the appropriate ESG response to assist at-risk individuals or families from entering emergency shelters and requiring higher use of emergency crisis community resources.

Case managers will target ESG homelessness prevention services to program participants at or below 30% of area median income and who are most likely to become homeless without ESG homelessness prevention assistance. Additionally, case managers will target to households who are in the most of need of temporary assistance and most likely to achieve stable housing. Case managers will use the City's ESG Screening tool to consider risk factors of individuals or families with Level 1 (minimum barriers) and Level 2 (moderate barriers) to maintaining housing. In determining eligibility for homelessness prevention assistance, case managers may also consider other risk factors, such as:

1. Eviction within 2 weeks from a private dwelling (including housing provided by family or friends);
2. residency in housing that has been condemned and is no longer meant for human habitation;
3. sudden and significant loss of income;
4. sudden significant increase in utility costs;
5. Mental health and substance abuse issues;
6. Physical disabilities and other chronic health issues, including HIV/AIDS;
7. Severe housing cost burden (greater than 50 percent of income for housing costs); homeless in last 12 months;
8. Young head of household (under 25 with children or pregnant);
9. Current or past involvement with child welfare, including foster care;
10. Pending foreclosure of rental housing;
11. High overcrowding (the number of persons exceeds health and/or safety standards for the housing unit size);
12. Past institutional care (prison, treatment facility, hospital);
13. Recent traumatic life event, such as death of a spouse or primary care provider;
14. Recent health crisis that prevented the household from meeting its financial responsibilities;
15. Credit problems that preclude maintaining stable housing; or
16. Significant amount of medical debt.

#### **ELIGIBLE POPULATION (C.F.R§24 576.2) – HOMELESSNESS PREVENTION**

*At risk of homelessness* means.

- (1) An individual or family who:
  - (i) Has an annual income below 30 percent of median family income for the are as determined by HUD;
  - (ii) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "homeless" definition in this section; and
  - (iii) Meets one of the following conditions:
    - (A) Has moved because of economic reasons two or more time during the sixty (60) days immediately preceding the application for homelessness prevention

- (B) Is living in the home of another because of economic hardship
  - (C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance
  - (D) Lives in a hotel or motel and the cost of the hotel and motel stay is not paid or living situation will be terminated within 21 days after the date of application for assistance;
  - (E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons per room, as defined by U.S. Census Bureau;
  - (F) Is existing a publicly funded institution, or system of care (such as a healthcare facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
  - (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan.
- (2) A child or youth who does not qualify as "homeless" under this definition, but qualifies under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637(11) of the Head Start Act (42, U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), Section 330(h)(5)(A) of the Public Health Services Act (42 U.S.C. 254(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7, U.S.C 2012(m)), section 17(b)(15) of the Child Nutrition Act of 1966 (42. U.S.C. 1786(b)(15))
- (3) A child or youth who does not qualify as "homeless" under this definition, but qualifies under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of the child or youth if living with him or her. OR
- (4) An individual or family who will imminently lose their primary nighttime residence, provided that;
- (i) The primary nighttime residence will be lost within 14 days of the date of the application for homeless assistance;
  - (ii) No subsequent residence has been identified; and
  - (iii) The individual or family lacks the resources or support networks, e.g. family, friends, faith-based or other social networks needed to obtain other permanent housing;
- (5) Any individual or family who:
- (i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions related to violence against the individual or family member, including a child Is fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's

- primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
- (ii) Has no other residence; and
  - (iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing

## **ELIGIBLE ACTIVITIES**

1. The City's ESG funds may pay for homelessness prevention assistance, such as short-term rental assistance (one month's rent), rental application fees, rental arrears costs (one month's rent, and related fees), unlawful detainer court fees, rental payment late fees, security deposits, utility deposits, utility payment assistance, reasonable moving costs, case management costs, and related costs of subrecipient to provide such services (if not paid under other subsections).
2. Subgrantees must not make payments directly to program participants, but only to third parties, such as landlords or utility companies.

## **2014-2015 ESG RAPID RE-HOUSING ASSISTANCE COMPONENT.**

ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible from an emergency shelter into permanent housing and achieve stability in that housing. This rapid re-housing assistance, may be provided to program participants who meet the criteria under paragraph (1) of the "homeless" definition in §576.2 or who meet the criteria under paragraph (4) of the "homeless" definition and live in an emergency shelter or other place described in paragraph (1) of the "homeless" definition. The rapid re-housing assistance must be provided in accordance with the housing relocation and stabilization services requirements in §576.105, the short- and medium-term rental assistance requirements in §576.106, and the written standards and procedures established under §576.400.

## **ELIGIBLE PROGRAM PARTICIPANTS – RAPID RE-HOUSING :**

For 2014-2015, ESG rapid re-housing assistance may assist extremely low-income adults, families, and youth/young adults who meet the criteria of "homeless" as defined in CFR 24, §576.2, as follows:

- (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
  - (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping

- accommodation for human beings, including a car, park, abandoned building, bus or train station, airport or camping ground;
- (ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
  - (iii) An individual who is exiting an institution where he or she resided for ninety (90) days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
- (2) An individual or family who will imminently lose their primary nighttime residence, provided that
- (i) The primary nighttime residence will be lost within 14 days of the date of the application for homeless assistance; and
  - (ii) No subsequent residences has been identified; and
- (iii) The individual or family lacks the resources or support networks (i.e. family, friends, faith-based or social networks, needed to obtain other permanent housing
- (3) Unaccompanied youth under 25 years of age, or families with children and youth who do not otherwise qualify as homeless but who
- (i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42, U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), Section 330 (h) of the Public Health Services Act (42 U.S.C. 254(h)), section 3 of the Food and Nutrition Act of 2008 (7, U.S.C 2012), section 17(b) of the Child Nutrition Act of 1966 (42. U.S.C. 1786(b)) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
  - (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
  - (iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
  - (iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions,



substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

(4) Any individual or family who:

- (iv) Is fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
- (v) Has no other residence; and
- (vi) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

## **WRITTEN STANDARDS AND PROCEDURES FOR RAPID RE-HOUSING PROGRAM**

See applicable provisions under §576.400.

## **ELIGIBLE ACTIVITIES FOR ESG RAPID RE-HOUSING PROGRAM**

Pursuant to 24 CFR §576.104 - §576.106, ESG Rapid Re-Housing Initiative has four categories of eligible activities: financial assistance, housing relocation and stabilization services, data collection and evaluation, and administrative costs. These eligible activities are intentionally focused on housing—either financial assistance for housing costs, or housing stabilization and relocation services that assist homeless residents secure housing. ESG's goal is to rapidly assist program participants gain housing stability, either by their means or by public assistance, as appropriate. ESG does not provide long-term support for program participants, nor will ESG address all financial and supportive services needs of households that affect housing stability. Rather, ESG focuses on assisting homeless residents move from emergency shelters, securing housing, linking program participants to community resources and mainstream benefits, and helping them develop a plan for preventing future housing instability.

ESG case managers will meet with program participants at least monthly for the duration of the assistance. Case managers will develop individual plans to assist program participants to overcome barriers to secure permanent housing and provide assistance to stabilize occupancy

after ESG assistance ends. Case manager will monitor and reevaluate program participants, as necessary.

ESG funds may be used to provide housing relocation and stabilization services, short term rental assistance and/or medium rental assistance as necessary to assist homeless individuals or homeless families move as quickly as possible out of emergency shelters into permanent housing. Rapid re-housing assistance must be provided in accordance with the housing relocation and stabilization service requirements in 24 CFR § 576.105, the short-term rental assistance and medium rental assistance in 24 CFR § 576.106; and the written standards and procedures in 24 CFR § 576.400. ESG-2 funds may provide the following:

1. Financial Assistance.

ESG financial assistance is limited to the following activities: short-term rental assistance, medium-term rental assistance, security deposits, utility deposits, and moving cost assistance. Sub-recipients will not make payments directly to program participants, but only to third parties, such as landlords or utility companies.

*Short and Medium Term Rental Assistance (C.F.R. 24 §576.016)*

To receive either short-term or medium-term rental assistance, the following conditions must occur:

- Short-term rental assistance is assistance for up to three months of rental costs.
- Medium-term rental assistance is assistance for more than three months but not more than 24 months
- Monthly rent assistance may be \$400 for 1 bedroom; \$600 for a 2 bedroom; and \$800 for a three bedroom or larger.
- No program participant may receive more than 12 months of assistance under ESG Rapid Rehousing.
- After 3 months, if program participants receiving short-term rental assistance need additional financial assistance to remain housed, they must be evaluated for eligibility for medium-term rental assistance, for a total of 12 months.
- ESG Rapid Re-Housing assistance should be “needs-based,” meaning that sub-recipient should determine the amount of assistance based on the minimum amount needed to assist homeless resident secure housing.
- The rental assistance paid cannot exceed the actual rental cost, which must be in compliance with HUD’s standard of “rent reasonableness.”
- Rental assistance payments cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state or local housing subsidy program.
- Compliance with Fair Market Rents (FMR) and Rent Reasonableness; and
- For purposes of calculating rent, the rent must equal the sum of the total rent, and rental fees (excluding late fees and pet deposits), and if tenants pays separately for

utilities (excluding telephone) the monthly allowance for utilities as established by the public housing authority for the area in which the housing is located; and

- Compliance with minimum habitability standards; and
- Tenant-based rental assistance (participants select housing) or project-based rental assistance (grantee selects housing that meet ESG requirements and execute rental assistance agreements with the owner with a subsidy for the unit so eligible program participants can access to the unit); and
- A standard rental agreement must be in place; and
- No rental assistance will be provided to households receiving assistance from other public source for same time period (exception: rental arrears).

Security Deposits: ESG Rapid Re-Housing funds may pay security deposits, including utility deposits, for eligible program participants. In contrast to the requirements regarding rental assistance payments, security and utility deposits covering the same period of time in which assistance is being provided through another housing subsidy program are eligible as long as they cover separate cost types.

Moving Expense: ESG-2 Rapid Re-housing funds may pay reasonable moving costs, such as truck rental.

## 2. Housing Relocation and Stabilization Services.

Subrecipient will provide housing relocation and stabilization activities under 24.CFR §576.105. ESG Rapid Re-Housing funds may pay services that assist program participants with housing stability and placement. Each program participant may receive housing relocation and stabilization services for up to 12 months.

Subject to the general conditions under 24 C.F.R. §576.104, ESG funds may pay housing owners, utility companies, and other third parties for the following costs.

Rental Application fees: ESG funds may pay for the rental housing application fee that is charged by the owner to applicants.

Security Deposits. ESG funds may pay for a security deposit that is equal to no more than two (2) months' rent

Last month's rent: If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one months' rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any three year period.

Utility Deposits. ESG funds may pay for a standard utility deposit required by the utility company for all customers for the utilities listed in paragraph (5) of this section.

Utility payments. ES funds may pay up to six months of utility payments per program participant.

Moving Costs: ESG may pay reasonable moving costs, such as a truck rental.

Services costs. Subject to the general restrictions under 24 C.F.R. §576.104, ESG funds may pay the costs of providing the following services.

Housing Search and placement. Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, including the following assessment of housing barriers, needs, and preferences; developing a housing search action plan outreach to and negotiations with owners; assistance with submitting rental applications and understanding leases; assessment of housing for compliance with ESG requirements for habitability, lead-based paint, and rent reasonableness; assistance with obtaining utilities and making moving arrangements; and tenant counseling.

Housing Stability Case Management. ESG funds may pay costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to assist a program participant in overcoming immediate barriers to obtaining housing. Components services and activities consist of:

- Using the centralized or coordinated assessment system when developed to evaluate individuals and families applying for rapid re-housing assistance;
- Conducting the initial evaluation required under §576.400(1)(a), including verifying and documenting eligibility, for individuals and families applying for rapid re-housing assistance;
- Counseling;
- Developing, securing, and coordinating servicers and obtaining Federal, State, and local benefits;]
- Monitoring and evaluating program participants' progress;
- Providing information and referrals to other providers
- Developing an individualized housing and servicer plan, including planning a path to permanent housing stability; and

-Conducting re-evaluations required under §576.401(b)

Case manager will meet with participants at least monthly for the duration of the assistance (participants who are victims of domestic violence are exempt if meeting increases the risk of danger to client). Case manager will develop individualized plans to help program participants overcome immediate barriers to secure permanent housing, and provide assistance to stabilize occupancy after ESG assistance ends. Case manager will also monitor and re-evaluate program participants, as necessary.

Legal Services. ESG may pay for legal services as set forth in §576.102(a)(1)(vi) except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing.

Credit Repair. ESG funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit program. This assistance does not include the payment or modification of a debt.

### **Ineligible and Prohibited Activities**

- Financial assistance may not pay for any mortgage costs or costs needed by homeowners to assist with any fees, taxes, or other costs of refinancing a mortgage to make it affordable.
- ESG funds may not pay any of the following items: construction or rehabilitation; credit card bills or other consumer debt; car repair or other transportation costs; travel costs; food; medical or dental care and medicines; clothing and grooming; home furnishings; pet care; entertainment activities; work or education related materials; and cash assistance to program participants. ESG may not be used to develop discharge planning programs in mainstream institutions such as hospitals, jails, or prisons. Finally, while training for case managers and program administrators is an eligible administrative cost as long as it is directly related to ESG Rapid Re-Housing program operations, ESG may not be used to pay for certifications, licenses, and general training classes.
- Programs may not charge fees to program participants.
- Any ESG funds used to support program participants must be issued directly to the appropriate third party, such as the landlord or utility company, and in no case are funds eligible to be issued directly to program participants.

## § 576.105 HOUSING RELOCATION AND STABILIZATION SERVICES

Pursuant to C.F.R. §24 576.103 and C.F.R. §24 576.103, ESG funds may be used for Housing Relocation and Stabilization Services. Subrecipient will provide housing relocation and stabilization activities under 24.CFR §576.105. ESG funds may pay services that assist program participants with housing stability and placement, such as:

- (a) Financial Assistance costs: Subject to the general conditions under 24 C.F.R. §576.104, ESG funds may pay housing owners, utility companies, and other third parties for the following costs.
  - (1) *Rental Application fees:* ESG funds may pay for the rental housing application fee that is charged by the owner to applicants.
  - (2) *Security Deposits:* ESG funds may pay for a security deposit that is equal to no more than two (2) months' rent
  - (3) *Last month's rent:* If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG-2 funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one months' rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any three year period.
  - (4) *Utility deposits.* ESG funds may pay for a standard utility deposit required by the utility company for all customers for the utilities listed in paragraph (5) of this section.
  - (5) *Utility payments.* ESG funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No program participant shall receive more than 24 months of utility assistance within any 3-year period.
  - (6) *Moving costs.* ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance under paragraph (b) of this section and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.

- (b) Services costs. Subject to the general restrictions under §576.103 and §576.104, ESG funds may be used to pay the costs of providing the following services:
- (1) *Housing search and placement.* Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, include the following:
    - (i) Assessment of housing barriers, needs, and preferences;
    - (ii) Development of an action plan for locating housing;
    - (iii) Housing search;
    - (iv) Outreach to and negotiation with owners;
    - (v) Assistance with submitting rental applications and understanding leases;
    - (vi) Assessment of housing for compliance with Emergency Solutions Grant (ESG) requirements for habitability, lead-based paint, and rent reasonableness;
    - (vii) Assistance with obtaining utilities and making moving arrangements; and
    - (viii) Tenant counseling.
  - 2) *Housing stability case management.* ESG funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. This assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent housing. Component services and activities consist of:
    - (A) Using the centralized or coordinated assessment system as required under §576.400(d), to evaluate individuals and families applying for or receiving homelessness prevention or rapid re-housing assistance;
    - (B) Conducting the initial evaluation required under §576.401(a), including verifying and documenting eligibility, for individuals and families applying for homelessness prevention or rapid re-housing assistance;
    - (C) Counseling;
    - (D) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;

- (E) Monitoring and evaluating program participant progress;
  - (F) Providing information and referrals to other providers;
  - (G) Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
  - (H) Conducting re-evaluations required under §576.401(b).
- (3) *Mediation.* ESG funds may pay for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.
- (4) *Legal services.* ESG funds may pay for legal services, as set forth in §576.102(a)(1)(vi), except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides.
- (5) *Credit repair.* ESG funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment or modification of a debt.
- (c) *Maximum amounts and periods of assistance.* The recipient may set a maximum dollar amount that a program participant may receive for each type of financial assistance under paragraph (a) of this section. The recipient may also set a maximum period for which a program participant may receive any of the types of assistance or services under this section. However, except for housing stability case management, the total period for which any program participant may receive the services under paragraph (b) of this section must not exceed 24 months during any 3-year period. The limits on the assistance under this section apply to the total assistance an individual receives, either as an individual or as part of a family.
- (d) *Use with other subsidies.* Financial assistance under paragraph (a) of this section cannot be provided to a program participant who is receiving the same type of assistance through other public sources or to a program participant who has been provided with replacement housing payments under the URA, during the period of time covered by the URA payments.



## **§576.106 SHORT AND MEDIUM TERM RENTAL ASSISTANCE**

Pursuant to C.F.R. §24 576.103 and C.F.R. §24 576.104, ESG funds may be used for short-term rental assistance and medium-term rental assistance. Subrecipient will provide short-term rental assistance and medium-term rental assistance as follows:

Subject to the general conditions under §576.103 and §576.104, the recipient or subrecipient may provide a program participant with up to 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.

- a) *General provisions.* Subject to the general conditions under §576.103 and §576.104, the subrecipient may provide a program participant with up to 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.
  - (1) Short-term rental assistance is assistance for up to 3 months of rent.
  - (2) Medium-term rental assistance is assistance for more than 3 months but not more than 12 months of rent.
  - (3) Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.
  - (4) Rental assistance may be tenant-based or project-based, as set forth in paragraphs (h) and (i) of this section.
- (b) *Discretion to set caps and conditions.* Subject to the requirements of this section, the recipient may set a maximum amount or percentage of rental assistance that a program participant may receive, a maximum number of months that a program participant may receive rental assistance, or a maximum number of times that a program participant may receive rental assistance. The recipient may also require program participants to share in the costs of rent. For the purpose of this section, the City is requiring the following conditions:

### Homelessness Prevention and Rapid Rehousing

- (1) ESG Rapid Re-Housing assistance should be “needs-based,” meaning that case manager should determine the amount of assistance based on the minimum amount needed to assist homeless resident secure housing.
- (2) Rental assistance payments cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state or local housing subsidy program.
- (3) Compliance with minimum habitability standards; and

Homelessness Prevention Program:

- (1) For the purpose of this section, “short-term” assistance is defined as one month’s rent and security deposit.
- (2) For the purpose of this section, ESG funds will not pay medium-term rental assistance as a homelessness prevention strategy.

Rapid Re-Housing Programs:

To receive either short-term or medium-term rental assistance, the following conditions must occur:

- (1) For the purpose of this section, medium-term rental assistance is defined as up to 12 months.
  - (2) For FY 2014, monthly rent assistance will be up to \$400 for 1 bedroom; up to \$600 for a 2 bedroom; and up to \$800 for a three bedroom or larger.
  - (3) Program participants must be evaluated for eligibility for medium-term rental assistance after every three 3 months
  - (4) Rapid Re-Housing assistance should be “needs-based,” meaning that case manager should determine the amount of assistance based on the minimum amount needed to assist homeless resident secure housing.
  - (5) Case Manager and program participant must developed an agreed-upon case management plan
- (c) *Use with other subsidies.* Except for a one-time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance, or living in a housing unit receiving project-based rental assistance or operating assistance, through other public sources. Rental assistance may not be provided to a program participant who has been provided with replacement housing payments under the URA during the period of time covered by the URA payments.
- d) *Rent restrictions.* (1) Rental assistance cannot be provided unless the rent does not exceed the Fair Market Rent established by HUD, as provided under 24 CFR part 888, and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507.
- (2) For purposes of calculating rent under this section, the rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees) and, if the tenant pays separately for utilities, the monthly

allowance for utilities (excluding telephone) established by the public housing authority for the area in which the housing is located.

- (e) *Rental assistance agreement.* The recipient or subrecipient may make rental assistance payments only to an owner with whom the recipient or subrecipient has entered into a rental assistance agreement. The rental assistance agreement must set forth the terms under which rental assistance will be provided, including the requirements that apply under this section. The rental assistance agreement must provide that, during the term of the agreement, the owner must give the recipient or subrecipient a copy of any notice to the program participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the program participant.
- (f) *Late payments.* The recipient or subrecipient must make timely payments to each owner in accordance with the rental assistance agreement. The rental assistance agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease. The recipient or subrecipient is solely responsible for paying late payment penalties that it incurs with non-ESG funds.
- (g) *Lease.* Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit, unless the assistance is solely for rental arrears. The lease must be between the owner and the program participant. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks. For program participants living in housing with project-based rental assistance under paragraph (i) of this section, the lease must have an initial term of one year.
- (h) *Tenant-based rental assistance.* (1) A program participant who receives tenant-based rental assistance may select a housing unit in which to live and may move to another unit or building and continue to receive rental assistance, as long as the program participant continues to meet the program requirements.
  - (2) The recipient may require that all program participants live within a particular area for the period in which the rental assistance is provided.
  - (3) The rental assistance agreement with the owner must terminate and no further rental assistance payments under that agreement may be made if:
    - (i) The program participant moves out of the housing unit for which the program participant has a lease; (ii) The lease terminates and is not renewed; or (iii) The program participant becomes ineligible to receive ESG rental assistance.
- (i) *Project-based rental assistance.* If the recipient or subrecipient identifies a permanent housing unit that meets ESG requirements and becomes available before a program participant is identified to lease the unit, the recipient or subrecipient may enter into a

rental assistance agreement with the owner to reserve the unit and subsidize its rent in accordance with the following requirements:

- (1) The rental assistance agreement may cover one or more permanent housing units in the same building. Each unit covered by the rental assistance agreement ("assisted unit") may only be occupied by program participants, except as provided under paragraph (i)(4) of this section.
  - (2) The subrecipient may pay up to 100 percent of the first month's rent, provided that a program participant signs a lease and moves into the unit before the end of the month for which the first month's rent is paid. The rent paid before a program participant moves into the unit must not exceed the rent to be charged under the program participant's lease and must be included when determining that program participant's total rental assistance.
  - (3) The subrecipient may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a program participant. When a program participant moves out of an assisted unit, the subrecipient may pay the next month's rent, *i.e.*, the first month's rent for a new program participant, as provided in paragraph (i)(2) of this section.
  - (4) The program participant's lease must not condition the term of occupancy to the provision of rental assistance payments. If the program participant is determined ineligible or reaches the maximum number of months over which rental assistance can be provided, the subrecipient must suspend or terminate the rental assistance payments for the unit. If the payments are suspended, the individual or family may remain in the assisted unit as permitted under the lease, and the subrecipient may resume payments if the individual or family again becomes eligible and needs further rental assistance. If the payments are terminated, the rental assistance may be transferred to another available unit in the same building, provided that the other unit meets all ESG requirements.
  - (5) The rental assistance agreement must have an initial term of one year. When a new program participant moves into an assisted unit, the term of the rental assistance agreement may be extended to cover the initial term of the program participant's lease. If the program participant's lease is renewed, the rental assistance agreement may be renewed or extended, as needed, up to the maximum number of months for which the program participant remains eligible. However, under no circumstances may the subrecipient commit ESG funds to be expended beyond the expenditure deadline in §576.203 or commit funds for a future ESG grant before the grant is awarded.
- (j) *Changes in household composition.* The limits on the assistance under this section apply to the total assistance an individual receives, either as an individual or as part of a family.

## HMIS COMPONENT (C.F.R. 24 §576.107)

*HMIS Data Collection:* Pursuant to 24 CFR §576.107, sub-recipients will operate and administer HMIS as required to implement ESG. For 2013-2014, the City will continue to work with Ramsey County COC and ESG sub-recipients to comply with future HUD guidance relating to HMIS operations. The sub-recipient may use ESG funds to pay the costs of contributing data to HMIS. HMIS costs will be limited to three (3) percent of the grant.

*Eligible HMIS Costs:* ESG funds may pay for costs of contributing data to the HMIS as designated by Ramsey County Continuum of Care, including the costs of purchasing or leasing computer hardware; purchasing software or software licenses; purchasing or leasing equipment, including telephones, fax machines; obtaining technical support; leasing office space; paying charges for utilities and high-speed data transmission necessary to operate or contribute data to HMIS; paying costs of staff to attend HUD-sponsored and HUD-approved training on HMIS; paying staff travel costs to conduct intake; and paying HMIS participation fees.

## ADMINISTRATIVE ACTIVITIES (C.F.R. 24 §576.108)

- a) *Eligible costs.* The City of Saint Paul may use up to 7.5 percent of its ESG grant for the payment of administrative costs related to the planning and execution of ESG activities. This does not include staff and overhead costs directly related to carrying out activities eligible under §576.101 through §576.107, because those costs are eligible as part of those activities. Eligible administrative costs include:
  - (1) *General management, oversight and coordination.* Costs of overall program management, coordination, monitoring, and evaluation. These costs include, but are not limited to, necessary expenditures for the following:
    - (i) Salaries, wages, and related costs of the recipient's staff, the staff of subrecipients, or other staff engaged in program administration. In charging costs to this category, the recipient may either include the entire salary, wages, and related costs allocable to the program of each person whose *primary* responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes *any* program administration assignments. The recipient may use only one of these methods for each fiscal year grant. Program administration assignments include the following:
      - (A) Preparing program budgets and schedules, and amendments to those budgets and schedules;
      - (B) Developing systems for assuring compliance with program requirements;
      - (C) Developing interagency agreements and agreements with subrecipients and contractors to carry out program activities;

- (D) Monitoring program activities for progress and compliance with program requirements;
  - (E) Preparing reports and other documents directly related to the program for submission to HUD;
  - (F) Coordinating the resolution of audit and monitoring findings;
  - (G) Evaluating program results against stated objectives; and
  - (H) Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraph (a)(1)(i)(A) through (G) of this section.
- (ii) Travel costs incurred for monitoring of subrecipients;
  - (iii) Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services; and
  - (iv) Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.
- (2) *Training on ESG requirements.* Costs of providing training on ESG requirements and attending HUD-sponsored ESG trainings.
  - (3) *Consolidated plan.* Costs of preparing and amending the ESG and homelessness-related sections of the consolidated plan in accordance with ESG requirements and 24 CFR part 91.
  - (4) *Environmental review.* Costs of carrying out the environmental review responsibilities under §576.407.
  - b) *Sharing requirement.* (2) *Territories, metropolitan cities, and urban counties.* If the recipient is a territory, metropolitan city, or urban county, the recipient may share its funds for administrative costs with its subrecipients

#### **§ 576.109 INDIRECT COSTS.**

- (a) *In general.* ESG grant funds may be used to pay indirect costs in accordance with OMB Circular A-87 (2 CFR part 225), or A-122 (2 CFR part 230), as applicable.
- (b) *Allocation.* Indirect costs may be allocated to each eligible activity under §576.101 through §576.108, so long as that allocation is consistent with an indirect cost rate proposal developed in accordance with OMB Circular A-87 (2 CFR part 225), or A-122 (2 CFR part 230), as applicable.

- (c) *Expenditure limits.* The indirect costs charged to an activity subject to an expenditure limit under §576.100 must be added to the direct costs charged for that activity when determining the total costs subject to the expenditure limit.

#### Subpart E—Program Requirements

##### § 576.400 Area-wide systems coordination requirements.

- (a) *Consultation with Continuums of Care.* The City of Saint Paul consults with Ramsey County Continuum of Care that serves the City of Saint Paul in determining how to allocate ESG funds each program year; developing the performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds; and developing funding, policies, and procedures for the administration and operation of the HMIS.
- (b) *Coordination with other targeted homeless services.* The City of Saint Paul and its subrecipients do coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to homeless people in the area covered by the Continuum of Care or area over which the services are coordinated to provide a strategic, community-wide system to prevent and end homelessness for that area. In addition to funding affordable housing opportunities in Saint Paul, the City recognizes these below-mentioned federal programs and allocates funds to some of the programs:
- (1) Shelter Plus Care Program (24 CFR part 582); such as the Shelter Plus Care Program at Saint Paul Residence, owned by the City of Saint Paul and operated by Catholic Charities.
  - (2) Supportive Housing Program (24 CFR part 583);
  - (3) Section 8 Moderate Rehabilitation Program for Single Room Occupancy Program for Homeless Individuals (24 CFR part 882);
  - (4) HUD—Veterans Affairs Supportive Housing (HUD—VASH) (division K, title II, Consolidated Appropriations Act, 2008, Pub. L. 110–161 (2007), 73 FR 25026 (May 6, 2008). The City consults with Saint Paul Public Housing Agency regarding the use of VASH vouchers for homeless veterans in Saint Paul;.
  - (5) Education for Homeless Children and Youth Grants for State and Local Activities (title VII–B of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 *et seq.*)). In this regard, the City has a working relationship with the Homeless Liaison for the Saint Paul School District
  - (6) Healthcare for the Homeless (42 CFR part 51c) – The City allocates ESG funds to the Healthcare for the Homeless Program in the City of Saint Paul.

- (8) Programs for Runaway and Homeless Youth (Runaway and Homeless Youth Act (42 U.S.C. 5701 *et seq.* )); The City allocates ESG fund to Ain Dah Yung, Lutheran Social Services, and SafeZone – to assist runaway and homeless youth.
  - (9) Supportive Services for Veteran Families Program (38 CFR part 62) – Minnesota Assistance Council for Veterans is a grant recipient for this program which can serve Saint Paul veterans.
- c) *System and program coordination with mainstream resources.* The City of Saint Paul and its subrecipients coordinate and integrate, to the maximum extent practicable, ESG-funded activities with mainstream housing, health, social services, employment, education, and youth programs for which families and individuals at risk of homelessness and homeless individuals and families may be eligible. Examples of these programs include:
- (1) Public housing programs assisted under section 9 of the U.S. Housing Act of 1937 (42 U.S.C. 1437g) (24 CFR parts 905, 968, and 990);
  - (2) Housing programs receiving tenant-based or project-based assistance under section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f) (respectively 24 CFR parts 982 and 983);
  - (3) Supportive Housing for Persons with Disabilities (Section 811)
  - (4) HOME Investment Partnerships Program (24 CFR part 92);
  - (5) Temporary Assistance for Needy Families (45 CFR parts 260–265);
- (d) *Centralized or coordinated assessment.* The Continuum of Care has developed a centralized assessment system or a coordinated assessment system homeless families seeking emergency shelter. Therefore, each ESG-funded program, if appropriate, must use that assessment system. The City and subrecipients must continue to work with the Continuum of Care to ensure the screening, assessment and referral of program participants are consistent with the written standards required by HUD. During 2014-2015, the City will work with Ramsey County Continuum of Care to expand the centralized assessment system to single adults, pending availability of funding.

**STANDARDS FOR DETERMINING PERCENTAGE OR AMOUNT OF RENT AND UTILITIES COSTS FOR EACH PROGRAM PARTICIPANT MUST PAY WHILE RECEIVING HOMLESSNESS PREVENTION OR RAPID RE-HOUSING ASSISTANCE §576.400(vii).**

All program participants will pay 30% of their income toward rent. If household income increases after three months, then ESG payment will decrease.



If a household income decreases, ESG may pay the rental differential for a period of time agreed upon by case manager and program participant. That said, case manager and program participant must develop a realistic action plan to address the loss of income. Subrecipient must also consult with the City if additional ESG assistance is needed to achieve the agreed-upon action plan.

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